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LEGISLATIVE HISTORY

Public Law 422--77th Congress

Chapter 27--2d Session

H. R. 6448

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DIGEST OF PUBLIC LAW 422

FOURTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION ACT, 1942.

Authorizes transfer from the War Department to any country whose defense is vital to U. S. defense of certain defense articles procured for the War Department under the Lend-lease Act, not exceeding \$4,000,000,000.

Appropriates \$30,000,000,000 to the Tennessee Valley Authority for a hydroelectric project near Dandridge, Tenn.

INDEX AND SUMMARY OF HISTORY ON H. R. 6448

January 20, 1942	Hearings: House, H. R. 6448.
January 23, 1942	House Committee on Appropriations reported H. R. 6448. House Report 1659. Print of the bill as reported. H. R. 6448 debated and passed the House as reported.
January 24, 1942	H. R. 6448 was referred to the Senate Committee on Appropriations. Print of the bill as referred.
January 26, 1942	Hearings: Senate, H. R. 6448.
January 27, 1942	Senate Committee reported H. R. 6448 without amendment. Senate Report 994. Print of the bill as reported.
January 28, 1942	H. R. 6448 was debated and passed the Senate as reported.
January 30, 1942	Approved. Public Law 422.

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A.N. 6448

**FOURTH SUPPLEMENTAL NATIONAL DEFENSE
APPROPRIATION BILL FOR 1942**

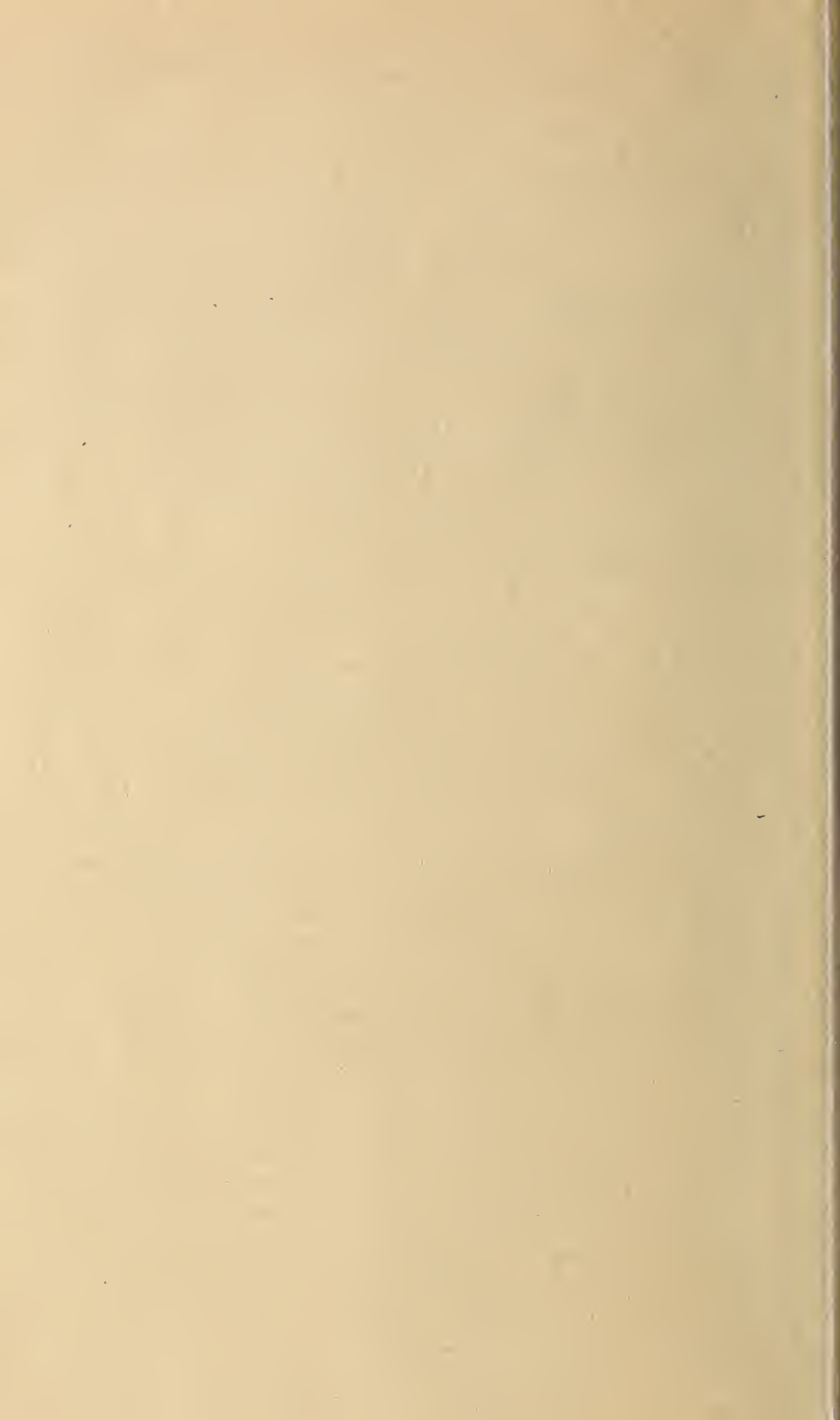
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HEARINGS
BEFORE
SUBCOMMITTEES OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
SEVENTY-SEVENTH CONGRESS
SECOND SESSION
ON THE [H.R. 6448]
FOURTH SUPPLEMENTAL NATIONAL DEFENSE
APPROPRIATION BILL FOR 1942

\$12.5 BILLION ARMY AIRPLANE PROGRAM

Printed for the use of the Committee on Appropriations





FOURTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL FOR 1942

HEARINGS

BEFORE

SUBCOMMITTEES OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

SEVENTY-SEVENTH ^{U.S.} CONGRESS

SECOND SESSION

ON THE

FOURTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL FOR 1942

\$12.5 BILLION ARMY AIRPLANE PROGRAM

Printed for the use of the Committee on Appropriations



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1942

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JOINT SESSIONS OF THE SUBCOMMITTEES ON DEFICIENCY AND WAR DEPARTMENT APPROPRIATIONS

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FOURTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION, 1942

HEARINGS CONDUCTED AT A JOINT SESSION OF THE SUBCOMMITTEES OF THE COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, IN CHARGE OF DEFICIENCY AND WAR DEPARTMENT APPROPRIATIONS: MESSRS. CLARENCE CANNON (CHAIRMAN), CLIFTON A. WOODRUM, LOUIS LUDLOW, J. BUELL SNYDER (CHAIRMAN, WAR DEPARTMENT SUBCOMMITTEE), EMMET O'NEAL, GEORGE W. JOHNSON, LOUIS C. RABAUT, JED JOHNSON, DAVID D. TERRY, JOE STARNES, ROSS A. COLLINS, JOHN H. KERR, GEORGE H. MAHON, JOHN TABER, RICHARD B. WIGGLESWORTH, WILLIAM P. LAMBERTSON, D. LANE POWERS, J. WILLIAM DITTER, ALBERT J. ENGEL, AND FRANCIS H. CASE; ALSO PRESENT, JAMES G. SCRUGHAM (CHAIRMAN), SUBCOMMITTEE ON NAVAL APPROPRIATIONS; ON THE DAY FOLLOWING, NAMELY:

TUESDAY, JANUARY 20, 1942.

WAR DEPARTMENT

AIR CORPS

STATEMENTS OF LT. GEN. H. H. ARNOLD, DEPUTY CHIEF OF STAFF FOR AIR; BRIG. GEN. O. P. ECHOLS, ASSISTANT FOR PROCUREMENT SERVICES; COL. L. W. MILLER, AIR CORPS; T. P. WRIGHT, OFFICE OF PRODUCTION MANAGEMENT; COL. C. G. HELMICK, GENERAL STAFF; COL. G. J. RICHARDS, GENERAL STAFF; AND LT. COL. R. S. MOORE, FINANCE DEPARTMENT

The CHAIRMAN. A joint meeting is being held of the War Department and Deficiency Subcommittees to consider the Budget estimate that has been sent up here by the President in House Document No. 567 for a new Air Corps program. We are having both subcommittees meet on this estimate in order that we may have present the men who are most familiar with the subject matter, because this is a grave responsibility.

This is the largest estimate for war equipment ever submitted to any committee or any Congress in the history of the world, and it involves the greatest dislocation, readjustment, and conversion of industry that the country has ever seen.

We trust, on account of the extremely confidential nature of the subject matter, that everyone present will be appreciative of the necessity that the evidence given here shall be regarded as highly confidential.

We will ask the witnesses to determine what, in their opinion, shall go in the record; and if at any time they are about to give testimony which they think should not go into the record, all that it is necessary for them to do is to indicate to the reporter to lift his pen, and that portion of the testimony will not be recorded. A transcript of the testimony given for the record will be submitted to the witness, and the War Department will be free to eliminate anything judged best to be omitted.

We will hear the statements of the witnesses without interruption and ask members to refrain from putting questions until the conclusion of the witnesses' statements and not to interrupt other members during the course of their examination. May I suggest that if any question occurs to a member concerning a matter which he thinks should be further explored, to make a note of it, and in due time the member will be given an opportunity to ask his questions.

The estimate submitted is in five items, providing for planes, production facilities for planes, armament, equipment, and ammunition, to a total amount of \$12,525,872,474. A copy of the estimate will be inserted in the record at this point.

(The estimate is as follows:)

THE WHITE HOUSE,
Washington, January 16, 1942.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress five emergency supplemental estimates of appropriations, totaling \$12,525,872,474, fiscal year 1942, to remain available until June 30, 1943, for the military activities of the War Department.

The details of these supplemental estimates of appropriations, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, with whose comments and observations I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington, D. C., January 16, 1942.

THE PRESIDENT,

The White House.

SIR: I have the honor to submit for your consideration five emergency supplemental estimates of appropriations, totaling \$12,525,872,474, fiscal year 1942, to remain available until June 30, 1943, for the military activities of the War Department, as follows:

WAR DEPARTMENT

MILITARY ACTIVITIES

For additional amounts for the Military Establishment, fiscal year 1942, to remain available until June 30, 1943, to be supplemental to, and merged with, the appropriations under the same heads in the Military Appropriation Act, 1942, including the objects and subject to the limitations and conditions specified under said heads, respectively, in said act, as follows:

OFFICE OF THE SECRETARY OF WAR

Expediting production: For expediting production of equipment and supplies for national defense-----	\$933,000,000
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SIGNAL CORPS

Signal Service of the Army: For Signal Service of the Army----	680,242,180
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AIR CORPS

Air Corps, Army: For Air Corps, Army----- \$9, 041, 373, 090

ORDNANCE DEPARTMENT

Ordnance Service and Supplies, Army: For Ordnance Service
and Supplies, Army----- 1, 547, 948, 529

Chemical Warfare Service, Army: For Chemical Warfare Serv-
ice, Army----- 323, 308, 675

Total----- 12, 525, 872, 474

GENERAL PROVISION

Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary of War to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense article procured from funds appropriated herein for the Military Establishment, in accordance with the provisions of the act of March 11, 1941 (Public Law 11): *Provided*, That the total value of articles disposed of under this authority shall not exceed \$4,000,000,000.

The purposes of the foregoing supplemental estimates of appropriations are to provide for the further strengthening of the national defense in accordance with the general objectives heretofore approved by you.

The foregoing supplemental estimates of appropriations are to provide for contingencies which have arisen since the transmission of the Budget for the fiscal year 1942. I recommend that they be submitted to Congress.

Very respectfully,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

GENERAL STATEMENT

The CHAIRMAN. We have with us General Arnold, who will discuss the general features of this estimate. We also have with us, and will have with us, the heads of other branches who will be able to discuss any phase of the matter in which the committee may be interested.

Will you give us a statement at this time on this estimate, General Arnold?

General ARNOLD. Mr. Chairman, it was my thought to submit a written statement, which I shall read. I realize that there will be many questions asked, and I think by that means we will be able to clear up in detail the different items as they are presented to you.

The offensive act on December 7, 1941, that suddenly thrust war upon us clearly demonstrated the vital importance of the air arm in our national defense. During the recent period of insecure peace the air force has been working logically step by step for the attainment of a state of preparedness compatible with our national policy as its objective. Our enemies, by their unprovoked and untimely attack, have interrupted our planned air-force augmentation. Now we are not only accelerating the attainment of our original state of preparedness, but we are also conducting combat operations and must concurrently build toward our offensive knock-out blow. Our enemies, with their clear aggressive policies, have the jump on us by having selected their own time for war and their own objectives for attack. By virtue of their national policies, they have long ago laid and pursued their plans for aggressive war. Now, we, by decisive action, must counteract the time advantage of the enemy.

The air-force problem in this case is efficiently and conclusively to fulfill our team assignment. In order that we may carry out this team assignment we must accelerate the augmentation of our air force and at the same time provide for the attrition of combat operation. In other words, we now must have a continuous flow of aircraft and the necessary production, instead of a series of job-lot orders which has heretofore been adaptable and desirable in the process of building up to a given strength or state of defense. This program is submitted in order to provide for the building up of planes for our air force and for our Allies, and to provide for the combat attrition inevitable in air operation.

Continuous flow of production depends, first, upon continuously extended contracts and continuous production planning. Here we are proposing a base upon which the airplane plants may further extend their production plans.

Under present production schedules we will attain maximum production on existing orders for most types in August of 1942, and from thereon production will gradually decline due to lack of further orders.

The program we are here presenting is necessary to maintain continuity of present planned capacity in that portion of the aircraft industry allocated to the Army, and to increase the production level of heavy bombers to ——— per month. Since the production cycle of the heavy bombers is considerably longer than that of the training types, production plans for this type must be projected many months further ahead. Continuity of production is essential for maximum effort. In order to assure delivery of heavy bombers in 1943 and 1944 we must let contracts for them early in the calendar year 1942. However, contracts for trainers let now should result in delivered articles during August of 1942.

The production program has been carefully worked out and is of two parts. The first contemplates the maximum utility of present facilities under present planned production, and the second provides for increased facilities for additional capacity in the heavy bomber types. These types are of paramount importance in the present emergency, and their production must be assured even though present facilities should be destroyed. We cannot afford to take a chance on this production.

Facilities are provided to round out the production of present prime capacity as well as for the increased capacity. These facilities include those for the production of essential accessories, special raw materials and semifinished materials, and ammunition as well as prime facilities for aircraft and engine production.

The air force is attempting, and the aircraft industry is fully cooperating, to obtain maximum production of present facilities through working 24 hours a day 7 days a week. Such schedules will naturally considerably reduce the period with which the airplanes in this program will occupy the aircraft industry. Continual study is being made to determine possible production schedules with this maximum utilization of present and planned facilities.

It is considered essential that funds for this program be made available at the earliest possible date in order that the present facilities may prepare for further production and that the new facilities may be expedited.

Briefly, the program, totaling \$12,525,872,474, is made up as follows:

Air Corps-----		\$9, 041,373, 090
Airplanes, complete-----	\$7, 141, 056, 340	
Spare engines-----	390, 421, 240	
Spare parts-----	1, 506, 895, 510	
Ordnance-----		1, 547, 948, 529
Armament for airplanes-----	247, 740, 800	
Aircraft cannon and small-arms ammunition-----	383, 462, 973	
Bombs and pyrotechnics-----	916, 744, 756	
Signal Corps, radio equipment for airplanes-----		680, 242, 180
Chemical Warfare Service-----		323, 308, 675
Expediting production (facilities)-----		933, 000, 000
Total-----		12, 525, 872, 474

Air Corps estimates provide for airplanes and spare engines and spare parts in the usual percentages.

(General Arnold made a further statement off the record.)

The CHAIRMAN. General Arnold, I wonder if there would be any objection to including in the record the total number of planes, without reference to types and classes, in view of the fact that the President, in his message, specified a number as the objective?

General ARNOLD. I see no objection to putting in the record the statement that this fund will cover the procurement of 23,000 combat types and 10,000 training types, giving us a total of about 33,000 airplanes.

The CHAIRMAN. Have you concluded your statement, General Arnold?

General ARNOLD. I have concluded; yes, sir.

(Further discussion off the record.)

COORDINATION OF AIRPLANE PRODUCTION PROGRAM WITH PILOT-TRAINING PROGRAM

The CHAIRMAN. General Arnold, will you tell us how well coordinated our airplane production program is with our pilot-training program? As these airplanes are produced, will there be sufficient pilots to take care of them?

General ARNOLD. Every program that the War Department has adopted in connection with the expansion of the air forces has been based upon the number of pilots, the number of airplanes, the number of mechanics, and the bases for operating those airplanes all being available at the same time.

First we had a 24-group program; then a 54-group program. The 54-group program was supposed to be completed by the end of this fiscal year; but due to the fact that we entered the war early in December, we advanced that date materially, and at the same time, as a result of studies of what the actual requirements would be to meet the war effort, we adopted another program which we hope to meet by December 31, 1942, in which the number of pilots, mechanics, squadrons, groups, and bases are all figured out so that they will all be available at the right time in December 1942.

The CHAIRMAN. The production, the pilot training, the ground forces, and the airports are all being coordinated so that they will synchronize?

General ARNOLD. That is correct, sir.

The CHAIRMAN. You say the program was increased from a 24-group program to a 54-group program. Subsequently that 54 was increased to 84?

General ARNOLD. Yes, sir.

The CHAIRMAN. Is there any intention to exceed 84?

General ARNOLD. It is already further increased.

The CHAIRMAN. Now, your base and airfield program, which will reach its peak in December, provides for additional fields or for expansion of present fields?

General ARNOLD. We are doing both. We are expanding some of our present fields, and we are also building new fields. When you are flying, and particularly when you are carrying out training, there comes a time when the air gets saturated with airplanes, beyond which you have the danger of collisions and a high accident rate. So rather than go through any such unfortunate situation as that, we prefer to build new schools where we will not have that overlapping in the air.

For your information, however, we have given out instructions that hereafter all construction carried out in the United States will be of the cheapest kind that will last us through the war. We are not even going to go into what we used to call temporary construction. It is the wartime construction that we are going to go into from now on—just enough to carry us through the war.

The CHAIRMAN. Are you following the same policy with reference to air fields and the geographical location of these fields that you do with the plants—locating them inland?

General ARNOLD. In general, most of our fields will be located in the central part of the United States. However, we must have a certain number of our combat fields on the coasts for combat purposes.

The CHAIRMAN. Has the saturation point been reached in the immediate vicinity of the District of Columbia?

General ARNOLD. No; I would not say that it had been, although along the Atlantic coast we are trying to have our bases so located that, in case of threat, we can concentrate the necessary number of combat planes in any locality, whether it will be the Boston locality, New York, Washington, Charleston, or wherever it may be.

STATEMENTS IN TRUMAN COMMITTEE REPORT—EFFICIENCY OF UNITED STATES PLANES

The CHAIRMAN. General, I have before me the report of the investigating committee, known as the Truman committee, for the investigation of the national defense program. If this were merely the opinion of some columnist or newspaper writer, I would hesitate to bring it up, but this is a committee, supposed to be free of partisanship, appointed by the Senate for the investigation of the national defense program, and these conclusions are agreed to by the members of the committee unanimously. As such, they carry weight, and they have had the attention of the press generally throughout the country. The report is an important one, and it seems to have been met with general approval. I note from this report of the Truman committee that they say that only a limited amount of our present production is of combat types considered to be equal to or superior to the best types produced abroad, and the statement is made elsewhere that only 25 percent of our

airplane production is of the best types, equal or superior to the planes produced by the Axis Powers. What would you say in regard to that statement?

General ARNOLD. I cannot concur in it at all. I am quoted in the report of the committee, but the quotation is one sentence out of a speech, and that one sentence is used as a text. You can take one sentence out of the Declaration of Independence and make it awful. You can take one sentence or one phrase from a statement and prove anything. Here is what I actually said—

The CHAIRMAN (interposing). On the other hand, without taking the report up in much detail, the report as a whole is a serious reflection on our aviation program. It is not based on the testimony of any one man, or any set of statistics, but it is general in its nature, and I think constitutes a rather serious indictment. Are you inclined to think that the indictment is overdrawn?

General ARNOLD. I would like to give you some facts in connection with our airplanes, and let us see what those airplanes have done. First, in connection with the P-40, which is the one that everybody is jumping on right now, here is what I actually said, referring to the P-40, and not to the P-40—A, B, C, D, E, or F. I said this with reference to the P-40.

The CHAIRMAN. What is the P-40?

General ARNOLD. The P-40 is a pursuit airplane. P-40's have been built and delivered to the pilots in our squadrons: I said that: "They have given an excellent account of themselves against the Luftwaffe in Egypt, and that they have been adopted as standard equipment in the Near East; although we no longer rate the P-40 as better than a good pursuit trainer, because of its limitations of speed, ceiling, and firing power."

Since the original P-40 we have come to the P-40—A, B, C, D, E, and F. As proof of the efficiency and effectiveness of these airplanes, let us see what they have actually done in the war. For instance, we have the British report, from which I quote:

From talking with pilots and squadrons that are equipped with P-40-D (Kitty Hawks), it has been found that this airplane is considered to be superior to the Messerschmitt 109-F. These pilots also consider this plane to be superior to all the other Royal Air Force planes in the Middle East.

Now, that report speaks for itself. In that connection, one squadron has been in combat with the enemy, and in two engagements 13 planes, including 2 Messerschmitt 109-F's, were destroyed with the loss of only 1 P-40-D plane. We lost only 1 plane, and they knocked down 13 hostile planes. It does not appear from that report that that plane is a bad one.

Mr. TABER. Of course, it would depend on the number of planes involved.

General ARNOLD. They were up against a superior number.

Now, in Oahu and the Philippines, during the Japanese attack on Pearl Harbor, on December 7, 1941, Lieutenant Taylor and Lieutenant Welch, both flying airplanes similar to the British Tomahawk, attacked a formation of Japanese planes, and each shot down two planes. A short time later Lieutenant Welch engaged two Japanese planes, and shot both of them down. Other airplanes of the same type engaged in victorious battle with the Japanese on that day. Every time

they went up in combat, they acquitted themselves in an excellent manner.

Now, let us take the Chinese experience: Chinese sources are quoted to the effect that the American volunteer group of airmen defending the Burma Road and Rangoon, many of whom use airplanes of the P-40 series, have bagged from 90 to 100 Japanese planes. That has been since December 7, and it was done with the loss of only 3 planes and 3 men.

On the Russian front, early this month, four Tomahawks are reported in the news dispatches as having shot down eight Messerschmitts, which were there in support of the German drive on Leningrad.

In view of this, it looks to us as if the P-40 has more than paid for itself.

Mr. STARNES. Do you know who the military expert of the Truman committee was or is?

General ARNOLD. No, sir.

Mr. STARNES. I think it would be interesting to know who he was.

General ARNOLD. Here is one other item along that line, showing where P-40 planes, or planes of the P-40 series, although outnumbered about 8 to 1 by enemy planes, destroyed as much as 60 percent of the enemy aircraft. This was against German air forces.

Mr. ENGEL. How many American planes were involved?

General ARNOLD. It was a very small force. It was a matter of 8 to 1.

The CHAIRMAN. Are they developing from day to day improved types of planes, or have you followed the development of improved types pretty closely?

General ARNOLD. Yes, sir; we follow that as closely as we can. We have an exceedingly difficult task in getting information out of Germany. Before the war, with our attachés over there, we could not get the information that we would like to have.

The CHAIRMAN. What evidence along that line do you obtain from the planes that are shot down over England, in Africa, and in the Far East every day? Do those planes show any marked developments that have been made?

General ARNOLD. The planes I referred to were Messerschmitt 109-F, which means that it was the seventh model, the models running A, B, C, D, E, and F. In the same way, our P-40-F is the seventh model in the P-40 series.

The CHAIRMAN. In the case of those planes that were destroyed, did they show any evidence in their construction that would indicate that their supplies of critical materials are short or substantially reduced?

General ARNOLD. The latest reports we have received on the types of construction indicate that they are still manufacturing airplanes from the best materials and with the best workmanship.

The CHAIRMAN. From that point of view, there is no evidence indicating that they are nearing the exhaustion of their critical materials?

General ARNOLD. We have had no indication along that line at all.

The CHAIRMAN. Referring further to the report of the Truman committee of the Senate, the statement is made that when the Japanese aircraft attack was made down at Pearl Harbor on December 7,

1941, the United States Army and Navy had only enough airplanes to furnish skeleton forces with equipment, a great deal of which was of inferior quality. The report states—

There seems little reason to analyze the facts by which this conclusion was reached prior to the war, since the events of the last few weeks have demonstrated its truth beyond reasonable doubt. Not only has it been shown that we have not had a great quantity of planes in action, but information made available to the public demonstrates that too many of the ships used were of types long considered by our armed forces to be obsolete.

The report goes on to say—

After 2 years of frantic effort, we have too few planes to allow adequate flying time to our pilots.

It may be claimed that this shortage existed with our own forces as the result of huge shipments diverted to foreign consumers. Actually, the facts do not indicate that to be the case. Information made available to the public has shown that, of the best types, our shipments abroad have been very limited.

STATEMENTS IN TRUMAN COMMITTEE REPORT—CHANGES IN SPECIFICATIONS

Some of the aircraft manufacturers, it appears complained that they had no sooner gotten into production when changes were made in the specifications. In one specific case, it appears that 165 planes were held up for something to be done to the carburetor, which should have been taken care of in the first place. I would like to ask about that, because that is one of the most severe criticisms affecting the policy. When your planes are to go into production, what is the policy in reference to anticipated improvements or accessories which may be added to the planes at some future time?

General ARNOLD. Our plane policy with reference to production is to standardize on everything before we go into production. With that in mind, as early as 1938 we had a standardization committee under which we standardized with the Navy so that changes in certain parts and processes could be made from Army planes to Navy planes. Since the British have come into the picture, we have standardized with the American-made British planes, so the same planes could be diverted either to or from the British, the Army, and the Navy. We then standardized on bombs as far as we could. We standardized on attachments of all kinds. We standardized, for instance, on bomb racks wherever we could. We even tried to standardize on radio, but there we ran into exceedingly great difficulties. With the standards that are in effect, the airplanes roll down the line as rapidly as possible. The only changes that we ever made in airplanes when they had started rolling were changes involving life and death, or something which would lead to life or death. For instance, the Truman committee talked about "piddling changes in carburetors," but that same piddling change in our carburetor was to correct something that probably caused a forced landing, with the death of eight or nine people. That is what they call a piddling change. Any change we might make in a carburetor might be called a piddling change, but it involves the matter of saving life.

The CHAIRMAN. Is it your statement that any delays occurring to plane production are not due to a desire to inaugurate later types of improvement or equipment?

General ARNOLD. Insofar as we can do it, changes are deferred so they will not interfere with production. We cannot always do that, but that is the policy we follow wherever we can.

STATEMENTS IN TRUMAN COMMITTEE REPORT—CONCENTRATION OF ORDERS
WITH A FEW MANUFACTURERS

The CHAIRMAN. The further charge is made in the report that orders have been concentrated with a few companies. The statement is made that billions of dollars of orders have been placed with 19 aircraft manufacturers, while there are more than 60 aircraft companies in the country today which have been unable so far to secure any substantial place for themselves in the production of aircraft for national defense. The report states that detailed information is available on more than 50 of these companies, much of which has been verified by the field inspectors of the Civil Aeronautics Administration. It is stated that they have detailed information on more than 50 of those concerns, most of which are offering to build airplanes.

The report states that these companies have machinery, space, and the men with which, it has been estimated, they can produce a minimum of 2,000 airplanes per month. In view of that, how do you account for the fact that while there have been some 60 companies available for this work, in awarding the contracts, they have been limited to only 19 concerns?

General ARNOLD. There are other people here who are far better qualified to answer as to the production problem than I am. You have General Knudsen here and Under Secretary of War Patterson. General Echols is very closely concerned with production. So far as our policy is concerned, we have utilized every known facility in the United States for production that can produce either whole airplanes or engines, or any of their component parts. So far as I know, we utilize all of those facilities in the manufacture of planes or parts. However, we cannot just go out and take a company because they say they are ready to manufacture pursuit planes. We cannot give them orders because they make that claim, because we have found from bitter experience that there is a big difference between the desire to produce and the actual capability to produce.

The CHAIRMAN. Right in that connection, the report of the Truman committee also says that responsibility for the condition is to be placed directly on the Army and Navy. They state that they still retain control over the awarding of contracts and consider the O. P. M. as a sort of vexatious necessity.

General ARNOLD. I would like to have General Echols answer that question.

General ECHOLS. I would like to answer the first question first: It was stated that there were 60 manufacturers. I have not seen the list, but I read that extract from the report.

The CHAIRMAN. You are referring to the list provided by the Civil Aeronautics Authority?

General ECHOLS. Yes, sir. The statement is made that we have let contracts to only 19 manufacturers, while there are 60 other manufacturers capable of turning out 2,000 planes per month. Those 60

manufacturers have, in general, been manufacturing very small training airplanes, but they have had no experience in manufacturing big airplanes. They do not have the necessary engineering staffs, and they were not considered capable of manufacturing the types of airplanes we desired. We are using all available manufacturers who are willing and able to manufacture tactical airplanes. There are 1 or 2 manufacturers that were named there, or listed, who have rather bad performance records. They were never up on deliveries, and their managements were continually squabbling. They have been hiring and firing managers, and they were simply not able to put out the product. Therefore, it seemed unwise in the emergency to go to an unreliable concern and place millions of dollars in contracts when they could not complete them. There is another important thing to be considered in connection with the whole program, and that is that we have tried to reduce the types and models. Every manufacturer that comes in wants to build a complete airplane and put his name on it. With these small manufacturers we have had a considerable amount of difficulty in getting an acceptance of subcontracting when we needed them. There is a great deal of difficulty in getting them to join up and accept subcontracts, because they want to build complete airplanes of their own, in order to have their names on the airplanes.

COORDINATION OF PROCUREMENT

The CHAIRMAN. What arrangements are now being made whereby the Army and Navy are cooperating with the Office of Production Management for some centralization and standardization in the matter of letting contracts? Is there complete understanding between those different branches?

General ECHOLS. I do not understand the allegation of the committee that there has been a lack of understanding with regard to the placing of contracts and on the matter of standardization. The committee states, for instance, that the Army had no plan. Back in 1940, representatives of the O. P. M., the Army, and the Navy made a production plan. The questions who could build airplanes, where they would go, and what facilities were available were all considered. The result of the joint effort was a plan made by the Army, Navy, and Office of Production Management. The procurement problem was to be worked out by them together.

The CHAIRMAN. The statement in the report of the Truman committee is this:

Though it was seemingly created to organize and manage production facilities, it appears that, as far as aircraft production is concerned, the Office of Production Management simply acted as a rubber stamp for the service agencies, allowing them to follow their own policies of procurement.

General ECHOLS. The only answer I can make to that is that I feel certain that the committee did not investigate far enough into the question of what the manufacturers had to offer, and the result of the efforts at cooperative development, particularly for the Army and Navy, through the Aeronautical Board in the matter of development work. It is not a case of taking what manufacturers have to offer. We have been constantly working on the development of experimental airplanes over a long period of years, and the airplanes we have today

are the result of the experimental work we did prior to 1940. It took several years to get those experimental airplanes into production. When the time for production came, we had to take what had been developed, or else we would be starting all over again.

Mr. POWERS. General Echols, the heads of the Air Corps have come before the War Department subcommittee year after year pleading for money for research and development, but we never got around to the point of giving them enough for that purpose until 1939, when, I believe, we gave them ten or twenty million dollars. That ten or twenty million dollars given them, I think, is in some way responsible for some of the fine ships that you have flying today.

General ECHOLS. Yes, sir.

The CHAIRMAN. Is there anything further on that point, General?

General ECHOLS. One thing more: I would like to say, briefly, this: As to the lack of cooperation between the Army Air Corps, the Navy Bureau of Aeronautics, and the O. P. M., the production programs have been made up, as stated, as the result of cooperation between those organizations. Our services place contracts, but the question of the number of airplanes that a certain given manufacturer can produce is determined jointly by the Army, Navy, and O. P. M. Those manufacturers are called in and asked if they can meet the program. If they believe they can, the contract is then written by the Army or Navy.

AIRPLANE PROGRAM IN THE PRESIDENT'S ANNUAL MESSAGE

The CHAIRMAN. You have given us the number of planes in the program, and I take it for granted that they are intended to meet the goal set by the President. To refresh your memory on that, I will read from the President's message of January 6, which sets the objective toward which we are striving:

To increase our production rate of airplanes so rapidly that in this year, 1942, we shall produce 60,000 planes, 10,000 more than the goal set a year and a half ago. This includes 45,000 combat planes—bombers, dive bombers, pursuit planes. The rate of increase will be continued, so that next year, 1943, we shall produce 125,000 airplanes, including 100,000 combat planes.

I take it for granted that the President spoke of both the Army and Navy there, and that your plan or program ties in with the general program for the production of the number of planes indicated by the President in his message.

General ARNOLD. The number that we are asking for here does not meet that. The program we are asking for here with the exception of the heavy bombers simply carries us on at the present rate of production so we will not fall back in production in the latter part of the present year.

The CHAIRMAN. You are not quite up with the President's goal?

General ARNOLD. No, sir.

The CHAIRMAN. Is that because you find that it is impossible to do so?

General ARNOLD. We have under way in the War Department plans that are being prepared to meet the President's goal. This present request for funds was made before the President's message.

The CHAIRMAN. This is a preliminary step in that direction, to enable you eventually to meet the President's request?

General ARNOLD. It is a step that will aid materially in meeting the President's production goal, but not quite.

The CHAIRMAN. Of course, you will have to let contracts to meet the program requested by the President, and you have to have funds and authorizations in order to do that. Would you require all cash, or could some of it be covered by a contract authorization?

General ARNOLD. Some of it could be taken care of by contract authorization. I do not know how much should be in cash. I think about 30 percent could be covered by authorization.

The CHAIRMAN. Of course, that is all in the future.

General ARNOLD. I am only talking about this estimate.

The CHAIRMAN. When should the funds be made available so as to enable you to let the contracts?

General ARNOLD. Just as soon as we can get them. It takes 6 months to get the raw materials. They have to have their orders out for the raw materials.

The CHAIRMAN. Is it necessary to make advances to these manufacturers?

General ARNOLD. In most instances we have made advances to manufacturers.

The CHAIRMAN. You do not know whether in the future it will be increasingly necessary to do that?

General ARNOLD. Yes, sir. I am certain that advances will be necessary in many cases.

NATURE OF CONTRACTS TO BE LET

The CHAIRMAN. What will be the nature of the contracts used in getting this production?

General ECHOLS. We are using the fixed-price and the cost-plus-fixed-fee contract.

The CHAIRMAN. Do you consider that the most practical way? How does the cost-per-unit plan compare with this plan or the plan used heretofore?

General ECHOLS. It has been rather difficult to determine. For instance, we have difficulty with the manufacturer who has never manufactured airplanes or the type of model of airplane we require. He asks for a cost-plus-a-fixed-fee contract because he is unable to figure the cost. For instance, Mr. Ford, in the manufacture of engines, was unable to determine the cost, and for that reason he was given a cost-plus-a-fixed-fee contract. I am unable to make a statement as to whether the cost-plus-a-fixed-fee contract is more expensive than the fixed-price contract.

The CHAIRMAN. Do you not think that should be determined, in view of the tremendous task ahead of you?

General ECHOLS. We are trying to determine that as rapidly as we can, but we have not gone far enough along in the program to get any accurate basis.

The CHAIRMAN. Is this a cost-plus-fixed-fee contract, or a cost-plus contract?

General ECHOLS. A cost-plus-fixed-fee contract.

LEND-LEASE ALLOCATION

The CHAIRMAN. General, there is a provision in this estimate which provides that \$4,000,000,000 out of the \$12,500,000,000 may be used by the Secretary of War, when authorized by the President, for the defense of other nations, under the terms of the Lend-Lease Act. How do you arrive at that specific sum of \$4,000,000,000?

General ARNOLD. I am not prepared to say that \$4,000,000,000 is the exact sum because, as I stated when I first started my testimony, we do not know where the airplanes will go. We have to send them where they will do the most good. Whether that should be \$4,000,000,000 or \$8,000,000,000 worth, I cannot say.

The CHAIRMAN. Have you any intention of relaxing more or less the procedure followed on these items? In a prior justification the lend-lease procedure was referred to as involving too much paper work.

General ARNOLD. My policy is, within the limits of the law, whatever the law may be, to utilize this equipment wherever it will do the most good.

The CHAIRMAN. Now I recognize Mr. Snyder, chairman of the Subcommittee on War Department Appropriations.

Mr. SNYDER. May I make a few observations and then ask a few questions, without interruption, please?

First, I want to commend General Echols on what he has said about the manufacture of airplanes and about the different little companies wanting to have an opportunity to manufacture planes when they could only manufacture a part, and that is a part of this report.

I have had the pleasure and satisfaction of visiting some of these smaller airplane factories and seeing their plants, and they were in no position at all, either financially or otherwise, to turn out advance training planes or combat planes of any type and kind.

Secondly, I want to say, with reference to the P-40's, and the P-40's A, B, C, and D. We hear constantly our planes could not compare with the English planes, the Spitfire, and so on. It was my pleasure to sit in a Spitfire and to sit in a P-40, standing side by side on a certain airfield in England, and talk to a pilot who had made 46 raids over Germany in these two planes, 28 in the Spitfire and the other 18 in a P-40. He was an English pilot, and he said that our P-40—and that was not a P-40-D, either—our P-40 was one of the most satisfactory and maneuverable planes, and, in many respects, it was superior to the Spitfire; but the English pilots had, of course, accustomed themselves to handle the Spitfire and, naturally, the majority of them would rather go up in a Spitfire than in the other.

Then I also talked to young Peterson, from Utah, who just 2 days before was made a commander of an air squadron over there, 21 years of age, an American boy, who had been there 12 months, and he said, of course, that the majority of the American volunteer boys over there as English pilots at that particular time came over and accustomed themselves to the Spitfires; but he said that two young fellows, when they were over here in America, crawled up on the wings and said, "Give me a new P-40, if I am going after the Jerries"—meaning the Germans—"over the channel."

From there, I went in around the lunch table that day and asked the officials of that particular air depot about the performance of our

planes. They said, "Well, if we just had enough of them, that is all we are asking for; their performance is all they pretend, and is better than we thought at first."

You may remember this, that they drive on the other side of the road over there and, while you say that does not make any difference in an airplane, they had to get accustomed—I think General Arnold will bear me out—that they had to get accustomed and had to install certain gadgets that we did not put in, before they could take them off over there. Is that right, General Arnold?

General ARNOLD. That is correct, sir.

RATE OF AIRPLANE PRODUCTION

Mr. LUDLOW. As the chairman of our committee, Mr. Cannon, has well said, this is the most gigantic appropriation bill that has ever been presented to any legislative committee in the history of the world.

Now, I would like to ask you this question: Do you think that you can effectively, and without waste, spend such an enormous sum of money as is contemplated in this bill?

General ARNOLD. I think that we not only can, but we must.

Mr. LUDLOW. And do you think that it is possible to safeguard against waste?

General ARNOLD. The reason why I say that is, we have now reached a productive capacity of approximately — planes a month. In order to maintain that productive capacity, it is going to take billions of dollars. So it is not a question of trying to reach something, it is just a question of feeding the money in so that the airplanes can go out the other door.

Mr. LUDLOW. This is going to be such a speedy outflow of money that I just wondered if it was humanly possible to safeguard the expenditure of it.

General ARNOLD. We have the facilities now for most of this expenditure; and we are providing for additional productive capacity through some of the money. But most of this money will just keep the airplanes flowing out the door.

Mr. LUDLOW. I understood you to say that your airplane production has been at times considerably jerky. Will the money that is carried in this bill bring about a level, continuous, maximum flow of airplanes, in your opinion?

General ARNOLD. Due to the time element involved between placing orders, there have been those shallow spots in our production curves. We have done everything we could to iron them out and I believe that the money that we will get now will smooth out the whole production curve so that there will be no periods in any plant in which we are not producing airplanes.

Mr. LUDLOW. In other words, there will be a continuous flow.

General ARNOLD. There will be a continuous flow from now on.

FEASIBILITY OF TRANSFER OF FACTORIES

Mr. LUDLOW. I was very much interested in what you said about the success, and the facility with which the Russians have transferred their airplane factories from one section of their country to a section

that was not in a belligerent zone. With regard to transferring these plants from a zone of danger and exposure on the Pacific coast—has that been given serious consideration?

General ARNOLD. We have given it very careful and thorough consideration, but when we talk about transferring factories in the United States, we have different conditions than they have in Russia.

(Discussion off the record.)

Mr. LUDLOW. Do you have definite plans for the removal of any of those plants to interior positions?

General ARNOLD. The plan we are working under now is this. It would probably cost us more in airplanes to move the existing plants than to leave them where they are, because the new plants going up in the interior will provide us secondary sources, which may even turn into primary sources as they develop and as they grow.

PROCUREMENT OF STRATEGIC MATERIALS

Mr. LUDLOW. Do you anticipate that you will be able to procure enough material to carry out this enormous program; and in that connection, what is your aluminum situation?

General ARNOLD. I just came back from the Alcoa plant and they have put up several new factories. They assured me that they will be able to turn out aluminum to keep pace with our expanded aircraft program.

The magnesium production has been given considerable study by the Raw Materials Section of the O. P. M. and by the War Department, and we have every reason to believe that we will be able to meet our requirements of raw materials. We may have to cut down a little bit here and there, draw in the belt in line with general consumption throughout the United States. But we have got to do that anyhow.

Mr. LUDLOW. Then you think the material situation will iron out satisfactorily?

General ARNOLD. I think it will iron out, and I think that we have taken the necessary steps to insure that it will iron out to meet this program.

CHEMICAL WARFARE APPROPRIATIONS

Mr. LUDLOW. I understood you to say that there was an item here of \$321,000,000 for the Chemical Warfare Service, is that right?

General ARNOLD. Yes, sir.

Mr. LUDLOW. There is very little of chemical warfare going on now, is there not?

General ARNOLD. Well, incendiary bombs are a part of chemical warfare, and quite an essential part. But we have experts here on that who will go into all of those individual items, from the Signal Corps, Ordnance, and the Chemical Warfare Service.

CANCELTION CLAUSE IN CONTRACTS

Mr. LUDLOW. Just one other question, and that is this. In view of these tremendous obligations that are being placed on the Treasury, is there any provision for cancelation in case peace should come, so that we may drop this program?

General ARNOLD. That is provided in all of our contracts.

Mr. LUDLOW. Every contract carries a cancelation clause?

General ARNOLD. Yes, sir.

Mr. LUDLOW. Thank you.

INCREASED COST OF PLANES

Mr. O'NEAL. General, I would like to ask one question. There is one thing that I cannot understand. Even though the price of materials has gone up, I cannot understand why the unit price of Army matériel, whatever it may be, airplanes or anything else, should be greater as time goes on than it was in the beginning. The statement was made here that the unit costs are larger.

General ARNOLD. They have gone up tremendously.

Mr. O'NEAL. We have discussed off the record costs of airplanes as such. Take the one item of the airplane engine. As these engines have gone into production, has the unit cost of the engine gone down? I am not referring to the cost of the whole plane, but merely the cost of the engine, after it became an assembly-line proposition. Has the unit cost of that engine gone down?

General ARNOLD. I would like to ask Mr. Wright of O. P. M. to make a statement on that.

Mr. WRIGHT. No, sir; it has not. It would have gone down had the other factors remained constant; but, as General Arnold has said, those other factors have gone up, and it has more than counterbalanced any of the decreased costs that you would expect from increased production.

Mr. O'NEAL. Then you are building a different type of engine?

Mr. WRIGHT. No; I am speaking of the same type of engine. The cost has gone up. For one thing, we have had to bring in inexperienced labor, which is another factor to be considered. It costs more to use that labor than to use the skilled labor that we had originally.

Mr. O'NEAL. Does not that work both ways, that the longer you use this new labor the more skilled they become, and therefore the lower your costs become?

Mr. WRIGHT. But we are getting a bigger percentage of unskilled labor all the time.

Mr. O'NEAL. Of course, when you started, they were all unskilled, were they not?

Mr. WRIGHT. No. We had the nucleus of an aircraft industry and at that time those men were all skilled.

Mr. O'NEAL. I would like to say this, in conclusion, Mr. Chairman. I should like to see in the record some intelligent statement setting forth the reasons why unit costs do not go down, even on the entire airplane; and certainly on some of the integral parts of the plane, such as the engine, or some other item which can be standardized in manufacture. It is very difficult for businessmen to understand why costs for airplanes tend to go up instead of down.

(Statement furnished by Mr. Wright.)

DISCUSSION OF THE REASONS WHY PRICES TO THE GOVERNMENT FOR AIRPLANES AND COMPONENT PARTS HAVE, IN GENERAL, INCREASED DURING THE PAST YEAR AND A HALF TO 2 YEARS

At the hearing before the House of Representatives Appropriations Committee on January 20 the above question arose, and the writer was asked to set down the contributing causes of the situation with which the Government is confronted with respect to airplane prices. The following, therefore, gives the writer's views as to the reasons for the price increases which have maintained during the past period of expansion and which, to some extent, may be anticipated in the future.

The increases in airplane quantities which are contained in programs under succeeding appropriation bills have been such that under normal conditions, and with other things being equal, would have resulted in reductions in prices up to as much as 40 percent, depending, of course, on the particular quantities procured under each succeeding order.

The factors which have equalized such reduction, and, in fact, have made prices actually more than formerly, are the following:

1. *Labor*.—The cost of labor has increased during this period by 20 or 25 percent, and as labor represents from 25 to 30 percent of the cost of airplanes (depending on the quantity under order) this price increase reflects proportionately as an increase in price. Coupled to this increase in hourly labor rates must be added the more extensive overtime which has been brought about by the justifiable requests from Government to accelerate deliveries. Assuming an average week of 46 hours now, there would result a 12 or 15 percent increase in labor cost incident to overtime at one and half times straight rate for week days and Saturdays and double time for Sundays and holidays.

2. *Overhead*.—In the aircraft industry overhead is usually computed as a percent of direct labor. It has run from 75 to 100 percent (for air frames) and, as many items of cost have increased parallel with increasing labor rates, this fixed percentage has continued to hold.

3. *Material*.—Prices of material have advanced by at least 10 or 15 percent during the period in question and do not appear as yet to have stabilized. Material represents from 27 to 35 percent of the total cost, so that here again the increase reflects proportionately in the price.

4. *Tools*.—Unit tool costs increase with size of order and represent from 7 to 12 percent of the total. As tools costs are made up of labor and material, they also have advanced in accordance with the general trend. The same applies for engineering.

Combining the above direct costs, it appears that approximately a 20-percent increase in price will be brought about by them alone.

5. To these direct costs, however, there must be added certain intangibles, including such items as: (a) Educational programs for inexperienced labor; (b) loss in efficiency due to thinned-out supervision; (c) recourse to higher percentages of subcontracting, involving not only more work on the part of prime contractors in educating and supervising subcontractors' efforts, but also the inclusion of double profits and general lowering of efficiency. Although the effect of these intangible items is difficult to determine accurately, it is believed reasonable to estimate that their combined effect might easily represent a 15- or 20-percent increase in cost.

6. In addition to the above, there is the fact that the airplanes and engines have themselves grown, adding on new equipment which, in turn, has increased the weight. Reference here is made to a specific type and not to the increase in size of airplanes, when going to four-engine bombers, which reflects increase in the over-all cost of a program. Within the period under discussion, airplane specifications have been changed to include self-sealing tanks, armor plate, more extensive technical equipment, and inclusion of highly specialized power equipment. In the case of engines the more general use of modernized equipment has similarly affected the power-plant size. These items themselves have added at least 10 or 15 percent in cost of a specific model of airplane as it has evolved in this period.

From the above, it appears that in the last year and a half to 2 years, there is a total increase in cost ranging from 50 to 60 percent above those which existed at the first of the period. When combining this with the decrease, due to increased quantities, there remains a balance of 20- or 25-percent net increase which it is believed approximates the condition that has actually confronted procurement officers.

Mr. WIGGLESWORTH. Following Mr. O'Neal's question, you referred, General Arnold, in some comment off the record, to the cost of a typical heavy bomber.

I want to call attention to one further statement of the so-called Truman report; and I quote:

Costs under the present system are more or less astronomical. For example, four-engine heavy bombers cost, completed, from \$477,000 up to \$1,161,000 each. Pursuit planes are as high as \$120,000 and even primary trainers cost as much as \$13,500.

Do you care to make any further comment on that, General?

General ARNOLD. All of these airplanes have become more expensive, for another reason that has not come out yet; and that is, increased complexity and weight. We used to build the tanks entirely of metal. Now they are self-sealing. We had to put in armor protection. We have had to put new kinds of radio in our airplanes. We have had to have new identification signal devices in them. All of those increased the weight of the airplane. When you add the increased cost of labor and all of these new gadgets as well as the increased number of pounds of aluminum in the plane, the price goes up.

Mr. O'NEAL. If the gentleman will yield to me for just a question, just taking the price of your radios, and other items that go into the plane on which they are getting increased production now, are you getting those at a cheaper price?

General ARNOLD. I would like to ask the Signal Corps to make a statement as to the relative cost of radios, what we paid a year ago as compared with what we are paying now.

Colonel LAWTON. I know that the costs have increased materially.

Mr. O'NEAL. Even though you are buying in greater quantities?

Colonel LAWTON. Yes, sir.

Mr. O'NEAL. And all of those other gadgets that go into the plane, perhaps all of them together, would make for more weight per airplane; but the individual items that you are buying cost more, too?

General ARNOLD. Yes, sir. Everything costs more.

BASIS OF ESTIMATE PER PLANE

Mr. WIGGLESWORTH. I want to ask one further question. Is the committee to understand that the total amount requested here for planes and other items is based on the same unit cost that you paid for planes and other items heretofore?

General ECHOLS. Yes, sir.

Mr. WIGGLESWORTH. You do not look for any reduction?

General ECHOLS. There is no reduction provided for, in the various types and models, in this estimate.

Mr. WIGGLESWORTH. Even when Henry Ford gets into production, you do not look forward to a price, in terms of mass production, very much less than what we have had to pay in the past, when there was an absence of mass production?

General ECHOLS. We do eventually, but Henry Ford's engine production is being doubled and his airplane production, which is already planned, is being increased again under this program by one-third, which is going to cause him to go through the cycle of a new labor-training program, paying high wages to unskilled labor. Costs for

that reason are difficult to reduce, and we did not believe that Henry Ford would agree to any reduction. He has stated, once he has actually determined the cost, he firmly believes he will give us reductions, but he has so far been unable to do it.

General ARNOLD. May I say that I am optimistic enough to believe that prices will go down somewhere along the line; but just where, I cannot say.

TRUMAN COMMITTEE REPORT—EXTENT OF INFORMATION REQUIRED FROM
AIR CORPS

Mr. JOHNSON of West Virginia. General, I am always in favor of wholesome criticism. Our good chairman has spoken of the Truman committee. What I would like to know is did you appear as a witness before the Truman committee?

General ARNOLD. No, sir; I did not.

Mr. JOHNSON of West Virginia. Did anybody connected with your force or administration appear before the Truman committee?

General ARNOLD. So far as I have been able to learn, there was not a single Air Corps officer appeared before that committee.

Mr. JOHNSON of West Virginia. You gentlemen were charged with a sizable offense. It seems to me you should have been given an opportunity at least to defend your position, and I am just curious to know whether that opportunity was given to you.

General ARNOLD. So far as I know, it was not afforded any member of my command.

Mr. JOHNSON of West Virginia. Did they ask you to furnish any information?

General ARNOLD. I personally never saw any letters. I will ask General Echols.

General ECHOLS. Yes; there was certain information furnished by the War Department. I was called on to furnish some, but, so far as I know, it was not relevant to anything contained in the report.

Mr. JOHNSON of West Virginia. You furnished the information they requested, did you?

General ECHOLS. Yes, sir; in the form of documents, through the Secretary of War.

Mr. WOODRUM. If the gentleman will yield for a question, nothing you furnished them would justify anything they said in their report, would it?

General ECHOLS. No, sir. There was one little matter concerning Zephyr Aircraft on which we furnished information, and the report contained a paragraph on Zephyr Aircraft. So far as I know, that was the only connection between what we furnished and the report.

ABILITY OF WAR DEPARTMENT TO EXECUTE NEW PROGRAM

Mr. JOHNSON of West Virginia. General, I know that you are going to spend a lot of money and that some of it is going to go astray. I am not so much concerned about this money situation as I am about winning this war. We have got a tremendous fire in the house and we are not going to quibble about paying the price for the fire engine when we need it. That is what we have got to do.

Now, if we give you the money that you ask for, can you say to this committee that you will be able to carry out your plans as outlined to us here today? That is what I am interested in—not the money end of it.

General ARNOLD. I have every reason to believe that if this money is given to us by the Congress, we will be able to get the airplanes out, and not only maintain our present production rate but also increase it toward that figure set by the President.

Mr. JOHNSON of West Virginia. You realize, General, that now is no ordinary time and you cannot dicker around for bargains, as you could if you had plenty of time and the emergency were not on your heels.

General ARNOLD. While we must be as economical as possible, the time for squabbling over dollars has passed, when it comes to winning the war. And for that reason one airplane that costs maybe a thousand dollars too much is worth twice as much against the enemy as another airplane costing \$10,000 less that you cannot get.

Mr. JOHNSON of West Virginia. I want to say to you, General, that so far as I am concerned, I am going to go along and give you what money you think is necessary to run this Army. And if you gentlemen are not competent to run it, then we will get somebody who is.

General ARNOLD. I agree with you 100 percent, sir.

Mr. JOHNSON of West Virginia. General, I want to know, if we turn this money over to you, whether you are going to spend it as economically as you possibly can.

General ARNOLD. I assure you, sir, that is our intent.

Mr. JOHNSON of West Virginia. And you are not going to get into the Truman committee with reference to improper expenditures, if you can help it.

General ARNOLD. That is the furthest thing from our thoughts. We believe we can expend this money as economically as you can in time of war. But we will get you the airplanes on the dates which we have predicted.

Mr. JOHNSON of West Virginia. I am more interested in that statement than I am in saving a few dollars in the cost of an airplane.

METHOD OF LOCATION OF PLANTS AND BASES

General ARNOLD. I want to say, when it comes to the matter of the selection of sites for plants or for bases, we have one procedure that we follow. That is to secure all the information possible that affects such installations and then, as impartially as we can, select the best site.

In the case of bases, we have three boards going over all information before the selection is finally made, so that there can be no question that we have looked out for the best interests of the Government.

CONCENTRATION ON CERTAIN TYPES OF PLANES

Mr. COLLINS. General, there has been some talk to the effect that you people should select three or four types of airplanes that you regard as the better types and concentrate on making them instead of making a number of different types of airplanes. Are you doing that?

General ARNOLD. We have concentrated on individual types wherever the tactical situation will permit us. For instance, our P-40's were operating down in North Africa when the Spitfires and the Hurricanes could not.

There has been a tremendous amount of operation in cold weather on the Russian front.

Mr. TABER. Were they ours?

General ARNOLD. Our winterized ones could operate. That is one reason why we struggled so long to get that proving ground at Fairbanks, Alaska. Now, we have, as far as we could, standardized our types of airplanes. For instance, take a good type of airplane, and the question may be asked, "Why not build that one type?" Some aircraft has a maximum performance at an altitude below 20,000 feet, while some other type has a maximum performance at an altitude above 20,000 feet. I cannot tell whether a German bomber will come in below or above an altitude of 20,000 feet, and we must be prepared for any eventuality. We must have one plane with a maximum performance down low and another with a maximum performance at a higher altitude. You must have another type to go with bombers. You must have three types there.

We must have dive bombers, which have a distinct place in tactical operations. We must have medium bombers and heavy bombers, so that really we would have six different types of planes.

Mr. COLLINS. You do not think it would be possible to standardize the various types of airplanes to a greater extent than has been done before?

General ARNOLD. I do not think so. We have had the British sitting in with us on that, to determine whether we could eliminate certain types.

Mr. TABER. You cannot tell what possibilities along that line may be developed.

General ARNOLD. No, sir.

Mr. WOODRUM. What is the policy now?

General ARNOLD. As fast as one airplane comes into the picture with a performance materially better than another airplane, we taper off production on that other airplane and build the newer type as soon as possible.

Mr. COLLINS. You are getting a great deal more fighting power out of the ships than you did some years ago?

General ARNOLD. There is no comparison at all.

Mr. COLLINS. Have you left off building wooden ships?

General ARNOLD. We were building 10-year airplanes. When we went into the war, we were building 10-year training planes as well as combat planes, the reason being that with the money available we had to have the planes last as long as possible. We had airplanes lasting 8, 9, and 10 years. Since the shortage in aluminum and magnesium made its appearance, we immediately went to plastic and wooden training planes, and now we are looking ahead to see what is the next step we might take to get into the plastic field with perhaps observation planes and transport planes. We see no reason why we should have a 10-year transport plane, and we are already searching the field for a 3-year transport plane.

DEVELOPMENT OF GLIDERS

Mr. COLLINS. What about gliders?

General ARNOLD. We have the best glider man that we could get in the United States. He is solely in charge of gliders, that being his only mission. He is unrestricted, and has free access to me. He can always go ahead.

TRUMAN COMMITTEE REPORT—EXCERPTS FROM SPEECH BY GENERAL ARNOLD

Mr. CASE. General, you said that you did not appear before the Truman committee, but there was a reference made in the report to some statement of yours, from which you say they took a sentence, or quoted a sentence. What was that sentence?

General ARNOLD. That was a statement with reference to the P-40 airplanes. It was from a talk delivered by me at West Point, N. Y., and it was supposed to be off the record and not to be repeated. If they had repeated everything I said, it would not have made any difference, but they did not do that. They took one sentence out of my speech.

Mr. CASE. I wanted to get that in the record, because it would appear from the statement that you did appear before them. However, I think you have covered that pretty well.

General ARNOLD. I think what I read pretty well covered it. That was covered pretty well in what I said in my explanation.

PILOT TRAINING PROGRAM

Mr. CASE. There is one question I would like to ask about the training program: The general understanding is that young pilots are needed. Do you see any value in the proposal to have a training program at colleges and universities for flyers, or a program comparable to that of the R. O. T. C.?

General ARNOLD. I have thought about that a lot, and it has certain advantages if it could be put over. However, at the present time it might have more disadvantages than advantages.

Mr. CASE. What would be the difficulty?

General ARNOLD. In the first place, we have the matter of time. You cannot train a flyer while he is doing anything else. So far as the flyer is concerned, he must work at it so long, and when he gets through at night he has a certain number of hours to his credit, and during the week he has advanced to a certain stage of proficiency. If he is in a university he cannot do that. He will be taking his flying as a secondary consideration.

Mr. CASE. What about their courses in engineering, and so forth?

General ARNOLD. Those things help our flyers very much.

Mr. CASE. I understand there is some suggestion of modifying the civil pilots' training program, which might be worked out along the lines of the R. O. T. C.

General ARNOLD. We are still working on that, but they have not gotten very far. Our main effort is to turn out pilots in the minimum of time, and in order to do that they must do flying and nothing else.

Mr. CASE. Under the contract that the student enters into in the civilian pilot training program, does he agree that he will enlist when his services are required?

General ARNOLD. There was a provision like that put in their contract, and we are getting more of them now than we did before. Comparatively speaking, we do not get many of them. In some ways, however, the C. A. A. has helped us materially. We have gone to them for instructors in our civilian schools, and we have received considerable help from them in that regard. Heretofore we have taken our instructors from our own graduates, but now we have gone to the C. A. A. and obtained as many as we could from them.

Mr. CASE. Do you get much good material for your work from the enlisted men?

General ARNOLD. Our enlisted strength at the present time is close to 300,000, and so far we have not had any trouble to get the numbers we need as they are needed. We are training them at the rate of about —— a year now, and we expect to build that up to —— a year by next year. It is a combing-out process.

Mr. CASE. What method do you pursue in this combing-out process? Once in awhile I get a letter from a young man in the Army asking for a letter of recommendation, and you indicated that there was a combing process followed.

General ARNOLD. We put all of these young men through the sieve before we put them in the training system. In the case of enlisted men, we call it a trade test; and in the case of a flying cadet, there is an examination. We eliminate those who are obviously not suited for this particular job.

Mr. CASE. Have you lowered the educational requirements?

General ARNOLD. Yes, sir.

Mr. WOODRUM. What are your present requirements?

General ARNOLD. We have a test that we put them through that insures us that they have the necessary proficiency and ability to comprehend subjects with which they will be confronted in training.

Mr. WOODRUM. He must have gone to college, however.

General ARNOLD. No, sir. What I am trying to say is that a man who has had 2 years in a dental clinic has had 2 years at college, but he cannot necessarily meet our requirements. On the other hand, some other man has gone to a night school and has the background, enabling him to meet our requirements.

Mr. WOODRUM. What are the ages?

General ARNOLD. We have dropped the age limit down to 18.

Mr. WOODRUM. What is the top age?

General ARNOLD. I think that is still 26.

Mr. WOODRUM. I have had a great many inquiries from civilian pilots, or men who have private pilots' licenses, but with, perhaps, not enough college training to go through that channel. I had a young man to come up here the other day with a pilot's license. He had passed the physical examination and had 150 hours of flying to his credit; yet he could not even get an application blank.

General ARNOLD. We have changed that now.

Mr. WOODRUM. It seems to me that you would want to get pilots who can actually operate planes.

The CHAIRMAN. Do you have any publications or literature explaining that situation?

General ARNOLD. I do not know whether the new system is in print now or not. We are undergoing that change now. We have a statement of the requirements, and we can send that to you.

AVIATION CADET REQUIREMENTS REVISED

Revision of aviation cadet requirements for bombardiers, navigators, and pilots in the Army Air Corps through reduction of the age limit to 18 years, institution of a uniform simplified test in place of the previously required written examination or college credits, and extension of eligibility to married men was announced today by the War Department.

In the past application for aviation cadet training was limited to men between 20 and 26 years of age. The new age limits provide for the acceptance of men between the ages of 18 and 26, inclusive. This applies not only to air-crew members, as bombardiers, navigators, and pilots are designated, but also to Air Corps ground officers, who, as aviation cadets, receive instruction in armament, engineering, communications, photography, and meteorology.

A revision already in effect in the extension of eligibility to married men. Heretofore only unmarried men have been given training as aviation cadets, but under the change authorized a married man is eligible providing he submits, along with his application for enlistment, a written statement that his dependents have adequate means of support. This revision applies equally to candidates for air-crew training and for training in the ground courses.

The new "screening test" authorized will be given to all applicants for air-crew training as bombardiers, navigators, and pilots. There will be no exemptions because of college credits earned. The test, in which the applicant will choose the correct answer from five possible answers given for each question, is designed to determine the applicant's fitness to pursue successfully the courses of instruction in Air Corps training schools.

Through the wide revisions in requirements approximately 2,000,000 more men become eligible for enlistment in the Army Air Corps.

Enlistment for such training is open to civilians and to the personnel of any component of the Army. An applicant must be in excellent health and have been a citizen of the United States for at least the 10-year period immediately preceding enlistment.

Immediate enlistment and appointment as an aviation cadet is possible under a revision of procedure and the establishment of an increased number of cadet examining boards in each of the nine corps areas in the Nation. Application for information may be made to any United States Army recruiting station, to any corps area headquarters, or to the adjutant of any Army post or organization.

An applicant will be directed to the nearest cadet examining board, to which he should take three letters of recommendation signed by citizens of established standing in his community and a birth certificate or other documentary evidence of date of birth.

He will be given a physical examination similar to that given to Reserve officers called to active duty, except that as a prospective flying officer he will be required to have 20/20 eyesight and normal color perception. He will be given the simplified screening test and examined by the board in formal proceedings for the purpose of determining whether he possesses the required moral and character qualifications.

Whether or not the applicant has passed will be determined immediately by the cadet examining board, and, if successful, the applicant will be enlisted at once, appointed an aviation cadet, and sent to one of the three Air Corps replacement training centers. There he will be given a physical examination for flying duty and further tests to determine the type of training he is to receive.

Under the old qualifications, which have been revised in order to facilitate procurement of the thousands of flyers necessary to meet wartime requirements, applicants for air-crew training were required to take an Air Corps written examination or to have had 2 years of college. These requirements are no longer in effect, and the simplified test now ready for operation is open to any qualified man regardless of formal education.

The new tests do not emphasize detailed academic knowledge or studies but are concerned with an applicant's proficiency and ability to comprehend subjects with which he will be confronted in the training texts and manuals. The scope of the test is designed to determine the applicant's mechanical comprehension

and his ability to understand mechanical apparatus and diagrams; his alertness to new developments in science, aviation, and military affairs; and his judgment in practical situations.

Applicants for aviation-cadet instruction in ground courses of training, however, must meet definite educational requirements, although the physical requirements for this type of duty do not include passing the flight physical examination.

Eligibility for armament training is extended to civilians, former aviation cadets now in civil life, and to aviation cadets currently undergoing instruction, and preferably to men who have had training in engineering or science. Aviation cadets and former cadets must be recommended by the commanding officer of the Air Corps training detachment for such training by reason of mechanical aptitude and may not have failed in any ground-school subject.

Candidates for engineering training must have completed at least 3 years of engineering studies at an accredited college or university. For communications training, candidates must have completed either 2 full years of engineering studies or have had 2 years of college and hold an amateur radio license.

Applicants for meteorological training must be college graduates and have specialized in sciences, engineering, or similar technical subjects. They must have satisfactorily completed thorough courses in mathematics, including differential and integral calculus, and physics, including heat and thermal dynamics. Applications for photographic training are not being accepted at present, but applicants must have at least 3 years of chemistry or geology in an accredited college and preferably have professional or considerable amateur experience.

For successful air-crew candidates, flying training will last approximately seven and a half months, during which time the aviation cadet will receive \$75 per month, plus \$1 per day subsistence. He also receives, at Government expense, lodging, necessary clothing, equipment, medical care, and a \$10 000 life-insurance policy during the period of training. On assignment to active duty he may continue the policy by paying the premiums.

Upon graduation the cadet receives an initial uniform allowance of \$150 cash. On relief from active duty in the Air Corps Reserve, he receives \$500 for each year of his active service.

Mr. SNYDER. Why do you not take them in at 18? That is the time they go on the football teams, and they make good football players.

General ARNOLD. We do, but they are minors, and must have their parents' consent.

Mr. SNYDER. Would they be considered minors for this purpose?

General ARNOLD. That is the one objection we have. They have to have their parents' consent.

Mr. POWERS. General, now that you have dropped your educational requirements, do you mean to say that the man must have his "trig" and calculus?

General ARNOLD. They must have the qualifications to become officers. If they have had their "trig" and calculus, they have a better ability to understand mechanical apparatus and diagrams.

Mr. POWERS. What happens to boys who are washed out from flying? Are they used as bombardiers or observers?

General ARNOLD. We are using as many as we can as bombardiers, radio operators, and so forth, or wherever they fit in.

Mr. POWERS. The wash-outs are being placed in other branches of the service?

General ARNOLD. We give them a chance to do something first, and then if they do not make good, we "wash them out."

Mr. POWERS. Do you have any officers' training school where a boy can be commissioned in the ground force of the Air Corps?

General ARNOLD. Up to this time we have been getting them from reservists or from other branches. We will now have to train our own ground officers.

Mr. POWERS. How can a boy gain admission to such a school?

General ARNOLD. It has not started yet.

TRUMAN COMMITTEE REPORT

Mr. LAMBERTSON. General, do you not think it would be a patriotic service for you to answer the report of the Truman committee, if it is wrong?

General ARNOLD. I do not know. My impression is that if somebody comes out with big headlines criticizing the air arm, everyone reads it, but if a denial comes out the next day, they do not read it.

Mr. LAMBERTSON. But, of course, this is a senatorial investigation.

Mr. POWERS. It is more or less like a man arguing with his wife. You do not get anywhere.

Mr. LAMBERTSON. I am serious about it, because people will more or less accept the statements in the Truman committee report unless they are refuted.

COMPLAINT OF ZEPHYR AIRCRAFT CO. IN TRUMAN COMMITTEE REPORT

Mr. ENGEL. General, the Zephyr Aircraft Co. was mentioned here today, and on page 63 of the report of the Truman committee there seems to be a severe indictment of the Department on account of the Zephyr Aircraft Co. I read from the report, as follows:

Another example which might be cited is the case of the Zephyr Aircraft Co., whose case was heard in an informal hearing with committee counsel. According to the record, the Zephyr Co., in response to an invitation for a design bid for a new type trainer, issued by the Army Air Corps, submitted a design which it claimed could be mass produced with unskilled labor at a cost of \$3,000 each. The record further showed that this design was never even evaluated by the Army and they made no claim that the Zephyr people could not do all they said they could do or that their design was unsatisfactory. Instead of purchasing a new design, a contract was let, at twice the cost, to another company for biplane trainers which were the same type, with some improvements, that had been used for many years and which are now being discontinued. The Zephyr people filed a protest which was apparently none too diplomatic, but they were never given a hearing by the War Department. It was testified further that, at the request of the Department, the company agreed to eliminate one individual who was personally distasteful to certain officials. They were told that they could have an experimental order, and later told differently. Finally, it was testified that they were told that no matter how good their plane was they could not get an order because of personalities involved and because it might look as if the Army was admitting a mistake in its original failure to give proper consideration to Zephyr's bid.

Do you know who testified to that?

General ECHOLS. In 1939, when we started with the so-called 5,500-plane program, we asked any and all comers to submit designs, and the Zephyr Aircraft Co. submitted a design for a primary trainer. The board of officers that passed on those planes considered the Zephyr plane no better than either the Stearman or Fairchild primary plane, which were planes of the same type. Therefore, they recommended against the purchase. The Zephyr Co. then came to the Air Corps and tried to get a contract to develop a primary training airplane, but there was no indication that their plane would in any way be superior to the plane we already had in production, if it were produced. The representatives of the Zephyr Co. claim that this plane was designed to be particularly adaptable to production in large quantities and at a small price. A survey was made of the Zephyr Co.'s facilities, and it appeared that they had a small hangar on a flying field. They had one plane partially completed, but there was no indication, so far as

we could determine, that their airplane was particularly adaptable to quantity production, or that the Zephyr Co. could even begin to produce.

They had neither the management, facilities, nor reputation, and for that reason the proposal was turned down. Then they brought their protest to Washington, and they were turned down on that. So far as the details of the personal matter is concerned, I am not familiar with the discussion or argument with General Brett, or the discussion he had with the representatives of the Zephyr Co. I feel positive that General Brett did not say that they had to discharge their manager, but I suspect that they thought that if they did discharge their manager, they might get some business. They did discharge the manager, but they never got any business, because General Brett again turned them down. The Zephyr Co. case was investigated by the White House. I think ex-Senator Minton was in charge of the investigation. It was also referred to the O. P. M. for investigation, and I think it was discussed on the floor of the House.

Mr. ENGEL. Do you have any knowledge of anyone telling them that no matter how good their plane was, they could not get an order because of the personalities involved?

General ECHOLS. I never heard that statement made before.

Mr. ENGEL. Do you recall an occasion 2 or 3 years ago when I had Mr. Dupont down here testifying about gliders? It was about 3 years ago.

General ARNOLD. Yes, sir.

Mr. ENGEL. At that time it was a question of using these gliders for the purpose of training pilots, and it was believed that gliders were better than other planes for the observation of air currents. They were believed to be better than nonglider planes for that purpose. Do you have any further information on that subject?

General ARNOLD. We have information from British or German sources which would indicate that there would be no distinct advantage in giving airplane pilots glider training prior to the heavier-than-air training.

RATIO OF INCREASE IN PRODUCTION RATE BY INCREASING DAYS AND HOURS OF WORK

Mr. ENGEL. Coming to the question of production, or the production of other War Department matériel, such as rifles, and so forth, it was testified that by going from a one-shift to a three-shift day, or 24-hour day, you would obtain about two and one-half times instead of three times the production. Would that hold true in the case of airplane production, or could we expect two and one-half times the production in a 24-hour day?

General ARNOLD. I think it would be less than that. Two and one-third times is the figure I have in my head, for the reason that you cannot use 100 percent of the first shift on the second shift, and only about 30 or 40 percent on the third shift.

TIME REQUIRED TO PRODUCE AIRPLANES

Mr. ENGEL. In some testimony you gave at one of the hearings you stated that it would take approximately 18 months from the time you put the pencil on the drawing board to the time when the planes would

begin to roll off the line. Has that time been cut down since then?

General ARNOLD. It has been cut down materially in pursuit planes, light bombers, and medium bombers. In the case of heavy bombers I think that 18 months is still a good figure.

Mr. ENGEL. You recall when Colonel Lindbergh was before the committee, do you not? His testimony was to the effect that we were from 3 to 5 years behind in research and development work. That was in 1939. That was when the War Department had the money or contract authorization for 907 planes. They had a contract authorization, and there was a delay of from 17 to 19 months in building the planes because they were awaiting developments that would be the result of certain research and development work.

General ARNOLD. Yes, sir.

Mr. ENGEL. Prior to that time, you were following the policy of demanding quality rather than quantity?

General ARNOLD. Yes, sir; that is correct.

Mr. ENGEL. Then, so far as Congress is concerned, we gave you all the money you wanted, so far as planes were concerned. In view of the fact that you did not use all of the money provided, Congress had given what you desired up to that period. In other words, those 907 planes were provided for, or you had the money that had been furnished by Congress to procure them.

General ARNOLD. In those days we did not get all the money we asked for, because there was a limitation placed on it, first, in the War Department, second, in the Budget Bureau, and third, here in Congress; so that we were not able to ask for all the money we wanted.

Mr. ENGEL. What I am getting at is this, that the bottleneck in this production program was in keeping up with the research and development work.

General ARNOLD. That had a great deal to do with it.

Mr. ENGEL. Then in March or April 1939, when we had the 5,500-plane program——

General ARNOLD. It was 5,500 total.

Mr. ENGEL. That was in March or April 1939, and at that time you testified that you were following the policy of quantity regardless of the quality, because you had to have more planes.

General ARNOLD. Yes, sir.

Mr. ENGEL. Now what is the situation? Have we reached the point where we are getting both quality and quantity?

General ARNOLD. We are now getting both quality and quantity. I do not think we will need to apologize to anybody in the world for the type of airplanes we are producing.

RESEARCH AND DEVELOPMENT

Mr. ENGEL. According to the testimony given in 1939, we were from 3 to 5 years behind Germany in research and development work. Where do we stand today in that respect?

General ARNOLD. From my point of view, as in charge of the air forces, I think we are equal to most nations and ahead of a lot of them.

Mr. ENGEL. That problem has been solved?

General ARNOLD. I think that problem has been solved. I would like to have my technical expert tell me.

General ECHOLS. I think, from the best information we have, that I can say, without any hesitation, we are up to the Germans, and I think, in certain respects, we are ahead of them. I think the new pursuit planes that the general refers to are the best airplanes in the world, and I think in our heavy bombers that we are ahead of them.

Mr. ENGEL. I would like to have put in the record such information as you can give on this particular question of research and development, because I think both the Truman committee report and the testimony in past records should be corrected.

(The matter referred to follows:)

Since 1939 we have been able to accelerate our research and development work to an impressive degree. The steadily increasing facilities of the National Advisory Committee for Aeronautics and of Wright Field, together with the wider use of outside research agencies, such as Massachusetts Institute of Technology, California Institute of Technology, National Research Council, National Defense Research Committee, and others, has considerably broadened the scope of our research attempts.

In procuring a particular piece of equipment, we always are shooting for a definite goal. If a new type of aircraft is dictated, the military characteristics (requirements) of such a type are definitely established by both tactical and technical military personnel. Such requirements cover all the angles of performance, armament, and equipment, necessary for successful combat operation. Following this military requirement directive, definite, and detailed type specifications covering engineering and production details are then furnished to the industry. Compliance with the specification requirements by the manufacturer or manufacturers of the type airplane in question is controlled throughout development and production by careful cooperation with the manufacturer throughout all development phases and the checking of engineering data, physical checking of parts and assemblies during fabrication, and finally a flight test evaluation. In no sense can such policy permit the manufacturers to dictate to the Air Corps the procurement of equipment not thoroughly desired, checked, and approved by the Air Corps.

PROTECTION AT SAULT STE. MARIE, MICH.

Mr. ENGEL. Now, I have heard a great deal of newspaper comment and had a great deal of correspondence regarding the failure of the War Department to protect the Soo at the Sault Ste. Marie, Mich. They tell me that 85 percent of the ore goes through there and that there is more traffic goes through the Soo—and it is outside of my district, you understand—than goes through the Kiel, the Suez, and the Panama Canals; that, on the other hand, the War Department officials have said the requirements for air forces at other places are so great and the chances of the Soo being attacked are so small that they could not afford, at the present time, at least, to put any protection in there in the way of putting an air squadron in there.

Now, the thought occurred to me—and, again, it is out of my district—that whatever equipment they would put in there, some kind of a school or something up in that neighborhood where they could have a certain number of planes used for training purposes, educating, at the same time, in case of an emergency, if anybody did come up there and attack, those instructors could get out and defend the Soo; in other words, have a dual-purpose place where you could take care both of education and protection, so to speak—educate the flyers and protect the Soo. Have you anything to say about that?

General ARNOLD. How far is Selfridge Field from the Soo?

Mr. ENGEL. I think, several hundred miles.

General ARNOLD. With the modern airplane, how long would it take to get there? The idea, Mr. Engel, is, Selfridge Field is close enough

to do the job you are talking about. We can always take one squadron from Selfridge Field and put it anywhere in case of a threat in that direction. But those threats do not appear overnight, and they have to start a long ways from the coast. That is the real reason in back of it. It is a long ways from the coast to the Soo, and we have Selfridge Field between the coast and the Soo.

Mr. ENGEL. And any attacking force could probably be detected long before it got there?

General ARNOLD. Could be detected before it got there, of course, and we could always interpose something.

Mr. ENGEL. What is next to Selfridge?

General ARNOLD. We have several fields on the east coast and several on the west coast.

Mr. ENGEL. And there are some planes at Camp Custer?

General ARNOLD. We have some in Indiana, and we have some in New York. We have them all through there.

UNIT COSTS

Mr. ENGEL. Just one other question that I have been very much concerned about and that is costs. Now, I think the dollar should not handicap production; on the other hand, I feel that the nickels and the dimes and the quarters that these youngsters are collecting for saving stamps by selling papers, and with income exemptions going down as low as \$750, and probably it will be \$500, that the people are entitled to get, and I think you feel the people are entitled to get, as near a dollar's value as they can, taking into consideration wartime production. And when I went over here to Fort Belvoir and they had this equipment, including airplane equipment and Signal Corps equipment over there, the unit cost seemed to me to be just way out of line. It seemed to me that the price of some of those guns and Signal Corps equipment was outrageous. Of course, I am an amateur; I do not know. Have you gone into that matter at all?

AIR CORPS AUDITS

General ARNOLD. I agree with you that the public is entitled to 100 cents on the dollar for everything they spend. We have gone into that. We have had our auditors audit every account with a view to determining just the profits that are made, or wherein there may be excess expenditures. And out of it all comes one thing—that for some reason the prices of everything have just gone up beyond bounds—raw materials, labor, excess pay for overtime. And, added all together, that is the price that we pay. If there were any way we could find of cutting down that price, we would be glad to do it.

Mr. ENGEL. Do you go into the books of the company and see what profit they make?

General ARNOLD. How far do we go into the books of the company?

Colonel MILLER. We go completely through all of the books and, at the present time, in the case of the large manufacturers, we have a crew of resident auditors in the plants at all times.

General ARNOLD. I assure you we are going into the cost of everything we buy; and we go down into the details, insofar as we can, in-

cluding even the individual workmen, to insure that there is no excess cost or excess profits. And whenever we find excess profits, we take the necessary steps to cut the costs in the next contract.

Mr. ENGEL. Do you buy Signal Corps equipment, or does the Signal Corps buy that?

General ARNOLD. The Signal Corps buys that.

Mr. ENGEL. You have nothing to do with their equipment?

General ARNOLD. We have nothing to do with buying their equipment.

Mr. ENGEL. And do you buy ordnance?

General ARNOLD. We do not buy ordnance.

Mr. ENGEL. Ordnance buys the armament?

General ARNOLD. Ordnance buys the guns.

Mr. ENGEL. You do not buy radio equipment?

General ARNOLD. We do not buy radio equipment.

Mr. ENGEL. You are talking now about the production of the plane itself?

General ARNOLD. I am talking about the airplane and the component parts of the airplane proper, such as wheels, engines, propellers, and so forth.

(After discussion off the record.)

AGE OF AIR CORPS OFFICERS

Mr. COLLINS. General, will you put in the record at this point the ages of the officers of the Air Corps of the rank of lieutenant colonel and above?

General ARNOLD. Gladly.

Regular Army Air Corps officers, average age, grade held Jan. 21, 1942

Fiscal year of birth	Age	Lieutenant general	Major general	Brigadier general	Colonel	Lieutenant colonel	Total
1878	64				1		1
1879	63				1		1
1880	62		1		3		4
1881	61				1		1
1882	60		1		3		4
1883	59		2		1	1	4
1884	58		1		1	2	4
1885	57		1	2	3	2	8
1886	56	1	2	2	5	2	12
1887	55		1		5	4	10
1888	54	1	2	1	10	7	21
1889	53				4	10	14
1890	52		2	6	18	17	43
1891	51			6	8	14	28
1892	50			5	15	24	44
1893	49			2	28	39	69
1894	48		1		16	37	54
1895	47			1	16	41	58
1896	46			2	11	47	60
1897	45				2	36	38
1898	44					17	17
1899	43					21	21
1900	42					24	24
1901	41					29	29
1902	40					20	20
1903	39					10	10
1904	38					3	3
1905	37						
1906	36					1	1
Total		2	14	27	152	408	603
Average age:							
Years		55	55	51	50	45	47
Months		0	10	4	10	2	9

(After discussion off the record:)

UNITY OF STANDARDS OF PRODUCTIVITY AMONG UNITED NATIONS

Mr. DITTER. General, did I understand you are impressed with the idea of unity of command?

General ARNOLD. I do not see how it is possible to win a war without unity of command.

Mr. DITTER. That would presuppose, then, there would be certain standardizations as to the mutual needs of the parties to that program?

General ARNOLD. That is correct, sir.

Mr. DITTER. And, among those standards, there would be, of course, the necessity of standardization of production, would there not?

General ARNOLD. That is correct, too, sir.

Mr. DITTER. Now, do you know whether there is anything approaching a common standard between the hours of productivity required in Great Britain and the hours of productivity we have established here? Is there any unification of command in that respect, sir?

General ARNOLD. Of course, you are getting a little bit out of my field there; but when I was in England I was told they had a 50-hour week. At the same time we had a 40-hour week. Everything above our 40-hour week was time and a half for overtime. It was out of my field, but I was told that.

Mr. DITTER. But, so far as your information goes—and you were there—you would say, in that field there has as yet been no standardization?

General ARNOLD. That is correct, as far as my information goes.

Mr. DITTER. Now, would there be reflected a measurable degree of increase of cost in airplane production here, as compared to the unit cost in Great Britain, because of that?

General ARNOLD. I think that is correct, sir.

Mr. DITTER. Could you give us an approximation, in percentage, of how much more a unit would cost here than it would cost for British production that would go into the same unified command?

General ARNOLD. Well, our hourly rate of pay is so much higher than theirs, and then we add to it the time and a half for overtime. My information would indicate that our planes are costing 50 percent more than theirs are.

Mr. DITTER. Do you know whether anything has been done, as these discussions have been had, so far as the military unification goes, looking toward the unification of this other problem that does not come into your field?

General ARNOLD. That does not come into my field at all, sir.

(After discussion off the record:)

STRATEGIC LOCATION OF STORAGE

Mr. SCRUGHAM. General, one of the points at issue has been the question of concentrating air bases in one location. For some time there has been considerable criticism, like at Pearl Harbor, about the continuity of Hickam Field with the naval base, and so on. About 1 year ago I asked the Chief of Aeronautics the following question

which is in the record of the hearings and about which I have previously spoken to you:

Mr. SCRUGHAM. One criticism of the plan has been that you are storing at places most likely to be bombed by an enemy in case this war progresses to a point where we have serious competition in the air; and while we may not meet with conditions met with in England and Germany, I understand that particularly in Germany those storage bases are entirely different from the bases of manufacture and use.

And the Chief of Aeronautics answered:

Admiral TOWERS. Of course, I do not share the fears of many people as to the likelihood of somebody cruising up and down our coast and bombing our supply bases, navy yards, or anything else, because they have to come here on board ship, or else they have to establish bases in territory adjacent to the United States. They cannot fly overseas and drop any appreciable weight of bombs and be able to fly back, and they won't be able to for a long time to come.

Then my question:

Mr. SCRUGHAM. And there will be no danger to the storage?

Admiral TOWERS. No real danger, in my opinion.

Under the circumstances as stated, would you concur in the view as stated by the Chief of Aeronautics of the Navy?

(The question was answered off the record.)

Mr. SCRUGHAM. Will that fact be taken into consideration in the future planning of the location of our manufacturing facilities, storage facilities, and so forth?

General ARNOLD. That has been taken into consideration.

7-DAY WEEK AND 24-HOUR DAY

Mr. LUDLOW. The plants making airplanes and auxiliaries are on a 7-day week, generally speaking, are they not, General Arnold?

General ARNOLD. I think they have all gone to the 7-day week now—practically all of them.

Mr. LUDLOW. That does not mean that the personnel works 7 days, does it?

General ARNOLD. No, sir. It means that they have personnel working for the full 7 days.

Mr. LUDLOW. I understand, but what is the hourly schedule per week in those industries?

General ARNOLD. I still think they run, sir, on the 40-hour week with overtime.

Mr. WRIGHT. They are averaging 46 hours per man right now.

Mr. DITTER. But that is a 40-hour week with 6 hours of overtime, is it not?

Mr. WRIGHT. That is right.

Mr. LUDLOW. And overtime pay for the 6 hours?

Mr. WRIGHT. Except on Sundays and holidays, when it is double time.

The CHAIRMAN. Now, if the members of the committee will turn to the justifications, we will take up the items very briefly, because we have practically covered everything, but we will have a brief résumé.

Turning now to the justifications, do you care to testify on these details?

General ARNOLD. I would suggest, sir, if I may, that I be allowed to withdraw now and the individuals concerned can go into the details, or as much detail as you prefer, in answer to these additional questions.

CONTRACT AUTHORIZATION VERSUS DIRECT APPROPRIATION

I just want to make one more statement. This morning you asked about contract authorization. After thinking it over, I would like to state we would prefer no contract authorization. A contract authorization complicates our procurement and accounting and leads to further complicated statistics, and, since this is an 18-month appropriation, it is difficult at this time accurately to predict the cash requirements. I do feel, however, if we must take a contract authorization, that 75 percent cash and 25 percent contract authorization would come closer to meeting our requirements.

The CHAIRMAN. Thank you, General.

TUESDAY, JANUARY 20, 1942.

EXPEDITING PRODUCTION

STATEMENT OF HON. ROBERT P. PATTERSON, UNDER SECRETARY OF WAR, ACCOMPANIED BY LT. GEN. WILLIAM S. KNUDSEN, LT. COL. G. K. HEISS, AND LT. COL. R. S. MOORE, FINANCE DEPARTMENT

The CHAIRMAN. We will be glad to hear you at this time, Mr. Secretary.

Mr. PATTERSON. Mr. Chairman, we are requesting an appropriation of \$933,000,000 under the head, "Expediting production," in these estimates.

All of the funds requested are to be utilized for the creation of facilities for production of aircraft, and the weapons and ammunition necessary to properly equip this aircraft for combat missions. The appropriations will be used for the following general purposes:

Facilities for the assembly of airplanes and the production of the component parts thereof.....	\$635,000,000
Facilities for the production of aircraft engines and component parts thereof.....	118,000,000
Facilities for the production of Ordnance and Chemical Warfare Service equipment and ammunition for airplanes.....	180,000,000

Most of the funds requested will be utilized in connection with the conversion and expansion of existing facilities. Such expansion will require the construction of some additions to existing plants, but in the main will require the production and purchase of a great amount of manufacturing equipment for installation in industrial establishments to be converted to wartime production. Entirely new construction will be limited principally to the creation of bomber-assembly plants and plants for the production of explosives, incendiary materials, etc.

We are requesting a change of language under this heading, as follows:

Provided, That the third proviso under the head "Expediting production" in the Military Appropriation Act, 1942, as amended by act of July 16, 1941 (Public Law 179, 77th Cong.), is repealed and shall not apply to any unexpended balances under this head, nor to the funds herein appropriated.

This change in language is necessary in order to enable the Air Corps to continue their present practice of utilizing Defense Plant Corporation contracts for the greater part of their facilities expansion. The restrictive language contained in the Regular 1942 Appropriation Act, as amended by the act of July 16, 1941, has been construed to operate against the use of any funds appropriated for expediting production subsequently thereto in connection with Defense Plant Corporation contracts.

The office of Chief of the Air Corps may be considerably handicapped and their program delayed unless the present practice of using the Defense Plant Corporation organization for Air Corps expansion and conversion projects is continued. As I have previously stated, the greater part of the expansion of productive capacity required for Air Corps projects is that type which is obtained by adding to or converting existing privately owned facilities. The Defense Plant Corporation type of contract is preferable than having the War Department completely finance and build a Government-owned plant.

That concludes my formal statement.

LOBBYING FOR CONTRACTS

The CHAIRMAN. Mr. Secretary, the complaint that is frequently voiced, both in the House and in the press, is that it is difficult to get information down in the War Department; that those who have applications or inquiries are shifted from office to office and sometimes have to go to as many as a dozen offices before they finally reach the place where the information can be supplied.

In connection with that, I notice the Truman report also criticizes this feature, and says it is impossible for the small businessman to secure information which is available to the large contractors through the dollar-a-year men, and they have to resort to lobbyists in order to get fundamental facts about applying for contracts and other information, and the recommendation is made that the Government establish some sort of a clearing house for information—for example, through the Division of Contract Distribution—in order that information may be available promptly and to everybody alike.

Has this matter been given consideration by the Department?

Mr. PATTERSON. Yes, sir; last August, I set up in my own office a Contract Distribution Section. That was a little before the time when O. P. M. set up their Contract Distribution Division under Mr. Odum.

My action in that regard was prompted by a study that had been made, and also by an article that just appeared in the New York Times, a featured article on a Sunday, regarding the activities of some promoters down here in placing War Department contracts.

There was nothing particularly reprehensible in the practices reported in the New York Times, but it seemed to me to be bad to have people running around and posing as knowing who to see, when people just coming into town looking for business might not have that information. I wanted, insofar as possible, to have the War Department itself furnish all available information, and I set that up under Colonel Hare in my office. It has been functioning, and I think has functioned successfully. I am not claiming that it is a panacea.

I cannot for the life of me prevent men running around saying they have inside stuff, they have inside information, or pull, or something. We have been faced with that problem now for a year and a half and have done our best to cope with it. We have, as you know, a clause in our contract providing that the contract may be voided if a fee is paid in the negotiation of the contract; also providing for a deduction of the fee in the price to the contractor, if we so elect. And in all of our construction contracts we have taken affidavits, in addition to that clause in the contract, to the effect that no fee has been paid to anybody for negotiating or securing the contract, and I have sent out notices from time to time, when the situation seemed to warrant it, notifying all prospective contractors that they did not need to resort to any such thing as that; that they could come right into the Department and that Colonel Hare's section was especially set up for the benefit of giving information to people who wanted contracts as to the Service most likely to give them contracts.

The CHAIRMAN. Why is this affidavit required on construction contracts alone; why should it not be required on all contracts?

Mr. PATTERSON. Because the abuses first came up in connection with construction contracts.

The CHAIRMAN. You think you have that situation adequately taken care of?

Mr. PATTERSON. No; I cannot say that. I have done my best. I am not sure there is any cure-all for it.

The CHAIRMAN. Apparently you have met it in a very practical way.

Mr. PATTERSON. I did the best I could. Of course, some of these men render perfectly legitimate services, real engineering services and, where they do that, I am not in favor of making it illegal or criminal.

The CHAIRMAN. Now I will recognize Mr. Snyder.

Mr. SNYDER. Judge, I am glad to hear you say you did your best to keep these many—I do not know what you call them—lobbyists out of the city who tip off a fellow and say, "I have inside information and can get you a contract."

Mr. PATTERSON. There is no doubt that pernicious activity goes on, but we have done our best to cope with it; have done our best to stamp it out. I do not object to the people rendering real services, and there may be real services rendered in some cases in engineering, or particularly in conversion of existing facilities over to wartime production; the part we resent is representations that they have some pull, that there is some inside stuff.

Mr. SNYDER. Is not this true, that a few small contractors have come in and tried to get a contract for which they do not have the equipment, facilities, and tools, and, when they are turned down, they say "the other fellow has pull"?

Mr. PATTERSON. I think it is so.

NEED FOR ADDITIONAL FACILITIES—USE OF DEFENSE PLANT CORPORATION

Mr. TABER. Mr. Secretary, do I understand that this \$933,000,000 program you have been referring to ties into these estimates that are asked for airplanes and that sort of thing?

Mr. PATTERSON. Yes, sir.

Mr. TABER. That is, in order to be able to let contracts for airplanes and the other things that are provided for as a part of this estimate, you have got to have these particular facilities that you are asking for now?

Mr. PATTERSON. Yes, sir; that is right; they do tie right together.

Mr. TABER. I rather understood they were necessary to carry on the program that is already laid out and provided for, from what General Arnold told us.

Mr. PATTERSON. No; I think there is a definite relation between these amounts asked for under the head of expediting production and the supply moneys asked for in the same estimates. Is not that right?

General KNUDSEN. Yes.

Mr. TABER. Within what time do you expect to have these facilities available and ready?

Mr. PATTERSON. About a year or 14 months; is that about right, General?

General ECHOLS. Yes, sir.

Mr. TABER. Now, Mr. Secretary, as I understood from General Arnold, the program of construction was necessary not to fill in these new things, but to carry on what was already set up. That is what I understood him to tell us.

General ECHOLS. This program does that, plus increasing the rate of production of heavy bombers.

Mr. TABER. When are you going to need this \$933,000,000?

Mr. PATTERSON. As soon as possible.

Mr. TABER. And how much will there be required in addition to this \$933,000,000 out of that defense-plant program, if the language that is asked for here in this memorandum we have is carried about the repeal of that provision of the act of July 16, 1941?

Mr. PATTERSON. We do not expect any dollar increase to be necessary, so far as we can forecast it now.

Mr. TABER. In the R. F. C. funds available from the Defense Plant Corporation?

Mr. PATTERSON. We do not expect to have to utilize those funds. This figure of \$933,000,000 represents what we now estimate to be the total cost of the new productive facilities and, if we go into business with the Defense Plant Corporation on this program, so far as we now know, we can give them what we call a take-out letter for the entire amount. But we would like that proviso out, because it may come about, in a certain project, that the amount necessary will be greater than the amount we have estimated. We won't make any commitments for that extra amount, Mr. Taber; we won't make any commitments for anything in the way of new facilities to the Defense Plant Corporation beyond the amount of \$933,000,000.

Mr. TABER. You mean the \$933,000,000 will include everything required for the construction program, including what you get from the Defense Plant outfit?

Mr. PATTERSON. We think so. We estimate the cost of the new facilities necessary under the heading "Expediting production" at \$933,000,000.

Mr. ENGEL. What facilities do you mean—plants?

Mr. PATTERSON. Plants and machines.

Mr. ENGEL. Could you break that down so as to show what part is plants and what part is machines?

Mr. PATTERSON. Only as I have done here. I have not done it in the dollar amount, but I have said the greater part will be for machine tools and equipment.

Mr. ENGEL. The greater part of the \$933,000,000?

Mr. PATTERSON. Yes.

Mr. WOODRUM. Judge Patterson, I think you have practically cleared it up, but I just wondered whether you wanted to say anything more about the extent to which you have used the Defense Plant Corporation and its advantages in the type of contract that can be made.

Mr. PATTERSON. Yes, sir. The Defense Plant Corporation, a subsidiary of the R. F. C. under Jesse Jones, has authority from Congress to build defense plants. Our policy has been this: Where a plant is required for purely military purposes, like an explosives plant, a TNT plant, a smokeless-powder plant, or a machine-gun plant, those projects have been handled by the War Department direct without resorting to any other governmental agency for assistance, because for those plants no civilian use is forecast.

On the other hand, with many of the aircraft projects it has been thought that a good many of those could be used after the war for the production of commercial aircraft; that there was a commercial use that could be foreseen. On those contracts we have gone to the Defense Plant Corporation, and they have made arrangements to build and lease to the operator the plant, and we have taken an obligation for varying amounts—40 percent has been the prevailing one, I believe; that is to say, we have written Jesse Jones and told him when his investment is complete we will pledge him 40 percent, and we charge that 40 percent against our appropriations as a committed item. The rest of it we do not take any obligation for, unless and if we get further appropriations for that very purpose.

Mr. WOODRUM. The hope being that at the end of the necessary use for war purposes, private industry can be encouraged and be given the facilities by which they could take over the plant and operate it as a private concern?

Mr. PATTERSON. That is right, and he has an arrangement, in the Defense Plant Corporation lease, whereby they have an option to take over in bailing him out.

Mr. WOODRUM. And if that should come about and there was a black-out of that plant, then the Government would only have a 40-percent investment?

Mr. PATTERSON. That is right. It has been a very successful arrangement.

Mr. WOODRUM. It has been a very satisfactory arrangement?

Mr. PATTERSON. Yes, sir; indeed.

Mr. WOODRUM. But with respect to this particular item, as I understand you, you do not expect to call on the Defense Plant Corporation for funds?

Mr. PATTERSON. We expect to go to the Defense Plant Corporation; but in many cases we will be able to give them a take-out letter for the full amount; but that proviso has embarrassed us somewhat.

Mr. TABER. Could you give us some illustrations of actual embarrassments?

Mr. PATTERSON. Yes. I think the interpretation that some people, whose opinion is entitled to respect, put upon this proviso was that we could not make an arrangement with the Defense Plant Corporation for, say, a plant to cost \$5,000,000 and give them a take-out letter only for \$2,000,000. Now, I do not read it that way; but some such discussion was in progress here when that language was written in last June and was changed some in July. And we do not want to feel we are running counter to any intent of Congress as expressed by this proviso.

I can give an illustration, I think, in this way: Suppose we were to make a contract for a project with the Defense Plant Corporation estimated to cost \$5,000,000 and suppose we gave them a War Department indemnity or take-out for \$2,000,000, it being supposed that the plant was to make airplane engines which would be available for use later on in civil life. We would not want to have that arrangement thought to be running counter to the intent of Congress and, if we were to give that take-out for, say, \$5,000,000, the full amount, and suppose the facilities, as it actually turned out, cost \$8,000,000, it would be very advantageous to us if we could leave our take-out at \$5,000,000. It might be that we might be without any funds at that time, when we needed to have that facility brought in—without any funds for expediting production. It is all due to the flexibility of the Defense Plant Corporation arrangement.

Mr. POWERS. Judge, did not we have this thing out last June or July, when it was contemplated that construction was going to be taken out of the C. Q. M. and the Engineers, a certain portion of it, and given to the Defense Plant Corporation?

Mr. PATTERSON. Yes, sir. That language was all derived from this fact, that it was planned for a time to put ordnance plants as well as Air Corps production over into the Defense Plant Corporation program, and that was brought about because the lend-lease people were short of funds for expediting production, and if it went over to the Defense Plant Corporation then the Quartermaster Corps would no longer build the plant, or the Construction Division as it then was.

Mr. POWERS. And we hoped to set up two construction divisions, or a new one, and I think at the time the testimony showed that probably 500 more employees, draftsmen, and so forth, would have to be taken on by the Defense Plant Corporation.

Mr. PATTERSON. That is right.

Mr. POWERS. Now, if we repeal this, what is going to happen to the Defense Plant; are we going to build up another construction corps in the Division of Engineers?

Mr. PATTERSON. No, sir.

Mr. POWERS. Why cannot the Engineers handle it as they are doing now?

Mr. PATTERSON. The engineers, so far as the Air Corps is concerned, are handling the so-called Knudsen plants. The rest of the Air Corps program, I believe, is handled altogether through the Defense Plant Corporation route?

General ECHOLS. Yes.

Mr. POWERS. Is that the contemplated route?

General ECHOLS. No, sir; that is the plan.

Colonel HEISS. May I clarify that? The amendment to the language in the 1942 estimates released funds that had been appropriated previously to 1942.

Mr. POWERS. Yes.

Colonel HEISS. The Air Corps has been operating with those funds to enter into Defense Plant Corporation contracts. There has been practically no expansion of Air Corps facilities with funds contained in the regular 1942 estimate, or the third supplemental, 1942, estimate. Prior funds have given out. The funds under discussion are needed for additional Air Corps expansion.

In a number of cases these funds will be used to further expand facilities originally financed under Defense Plant Corporation contracts.

Mr. POWERS. How much more of an organization are you going to build up at this time?

Colonel HEISS. I do not think there is going to be any more required.

Mr. POWERS. You think if this language is changed, the defense plants can go along just as they are, without any additional help or the building up of another construction organization?

Colonel HEISS. Yes, sir; that is my opinion. We do not contemplate putting with defense plants any of the ordnance, quartermaster, or anything like that; just the Air Corps, and some small amount of Signal Corps items which are primarily radios, and so forth, for use in airplanes.

Mr. PATTERSON. Mr. Powers, you recall at the time of the discussion last June it was settled for the time being by adding \$500,000,000 expediting production moneys which were to be used for ordnance, for the explosives plants and smokeless-powder plants. There was not any new money in that act for Air Corps construction.

Mr. POWERS. But would you be hindered or hampered should the committee decide not to change that language; could the engineers go ahead?

Colonel HEISS. In some cases, we might; in cases where we were expanding existing industrial facilities. Let us take Ford; we are going into Ford's factory and putting in new machinery, building additions through the Defense Plant Corporation, and Ford enters into a contract with the Defense Plant Corporation and the Defense Plant Corporation puts those facilities in. It then becomes part of the Ford plant, with Mr. Ford, as he gets through, in a position either to buy the installation from the Defense Plant Corporation or to pull the machinery out and let the Defense Plant Corporation sell it; and the War Department will reimburse the Defense Plant Corporation for the loss they might have to take.

If we change the system now in practice and have to increase Ford, we would place the Corps of Engineers in a position where they are going into part of Ford's plant and actually building facilities for producing munitions in Ford's plant and adding to what he has at the present time in the matter of a production unit.

Mr. POWERS. Then, will it be satisfactory at the present time to limit this to the Defense Plant and have the Defense Plant do all the financing?

Colonel HEISS. No, sir; because there is quite a lot of talk of using the "steam shovel" people.

Mr. POWERS. What do the engineers think of this?

Colonel HEISS. The engineers are perfectly agreeable to it.

Mr. WOODRUM. Judge, is this suggested change satisfactory to Mr. Jesse Jones and the Reconstruction Finance Corporation?

Mr. PATTERSON. Yes, sir.

Mr. WOODRUM. And it has cleared through the Budget?

Colonel HEISS. Yes, sir; it was informally cleared through the Budget.

Mr. WOODRUM. You regard it as a very desirable and important change in the language?

Mr. PATTERSON. Yes, sir.

Mr. CASE. Is there any conflict between this and what was done by the House yesterday in repealing that section which provides permission to companies that are financed by the R. F. C. to charge off 20 percent a year of their capital costs?

Mr. PATTERSON. I do not think so. That provision in the tax-amortization law has to do only with companies that do their own financing, without regard to any Defense Plant Corporation. The Defense Plant Corporation does not make any loans; it actually builds and owns the facilities.

Mr. CASE. I just wanted to be sure that we were not crossing ourselves up.

The CHAIRMAN. Are there any other questions of Secretary Patterson before we recess?

Mr. STARNES. Mr. Secretary, is part of this money for the expediting of production to be used in converting automobile plants into wartime establishments?

Mr. PATTERSON. Yes. A good deal of this money will be used to expand the existing projects with the automobile companies. You take Ford. He is now making B-24's himself and is also making parts for assembly down in the Tulsa and Fort Worth plants of the B-24's. I take it a good deal of this will be devoted toward the expansion of existing facilities for the production of heavy bombers.

Mr. STARNES. You do not contemplate expanding existing facilities on the exposed coasts that we have now, which are subject to destruction by a sudden raid or foray, as mentioned by General Arnold?

Mr. PATTERSON. No, sir.

Mr. STARNES. Do you have a sufficient amount of material available to carry this program on?

Mr. PATTERSON. We think so. The tightest spot will be aluminum, of course, and magnesium.

Now, Mr. Chairman, General Knudsen is here and would be glad to answer any questions.

Mr. O'NEAL. I would like to ask you about the unexpended balances as of June 30. Of course, in a program of this sort, there must be tremendous readjustments of what you foresee, and is there anything now in contemplation which would keep the unexpended balances from reverting to the Treasury?

Mr. PATTERSON. I do not know about that.

Colonel HEISS. Yes, sir. But they have not yet been extended beyond June 30, 1942. We expect to come before the committee and ask for an extension on that, sir.

Mr. O'NEAL. All we have appropriated would normally expire at the end of the fiscal year 1942, and unless there is further legislation that will revert to the Treasury; is that right?

Colonel HEISS. Yes, sir.

Mr. O'NEAL. Then there is in the 1942 act an extension of the unexpended balances from the year 1942 over into 1943?

Colonel HEISS. No, sir.

Mr. O'NEAL. Have you any guess as to the amount of money which would be the unexpended balance as of June 30, 1942; have you any estimate as to what that amount might be?

Colonel HEISS. Referring only to expediting production funds, sir, I believe all that have been previously appropriated, with the exception of certain funds that we have obligated through the Defense Plant Corporation and through these emergency plant facility contracts, will be gone by the end of this year. My estimate is there will be perhaps half a billion dollars that will not be spent by the end of this year. Of course, there is a relatively small proportion of this \$933,000,000 that will actually be expended before the end of this year, and the language of this bill carries this for 1943.

Mr. O'NEAL. Do I understand that in all normal appropriations for the year 1942, both supplemental and additional appropriations, there is a provision which extends those to the fiscal year 1943?

Colonel HEISS. It is my understanding that such a provision will be requested.

Colonel MOORE. For expediting production, we have authority to obligate only to June 30, 1942.

Mr. O'NEAL. And those funds are either obligated or expended?

Colonel MOORE. Available funds not yet obligated will be so obligated this fiscal year, but expenditures will not be completed for many months thereafter.

TRUMAN COMMITTEE REPORT

Mr. PATTERSON. Mr. Chairman, may I say just one thing: I was here when General Arnold was being asked some questions relative to the recent report. I think, if he did not point it out—and I did not hear him point it out—it may be noted with regard to the charge of a lack of planning and the quality of the aircraft, and so on, that, insofar as I know, neither General Arnold nor General Echols, nor anyone else in charge of the aircraft program for the War Department, made any statement or was called on in any way to disclose or make any statement about the aircraft program.

Mr. STARNES. Mr. Secretary, do you know who the military expert was that advised the Truman committee on these alleged facts?

Mr. PATTERSON. I cannot say.

Mr. JOHNSON of West Virginia. Judge, we are in this war and we have to win it. What I want to know is, Will this money that you are asking for be sufficient to carry you through?

Mr. PATTERSON. No, sir.

Mr. JOHNSON of West Virginia. I mean for the present.

Mr. PATTERSON. Oh, it will carry the Air Corps for the present.

Mr. JOHNSON of West Virginia. That is what I mean.

Mr. PATTERSON. Yes, sir; for the present.

The CHAIRMAN. Thank you, Mr. Secretary.

TUESDAY, JANUARY 20, 1942.

WAR PRODUCTION PROGRAM

STATEMENT OF LT. GEN. WILLIAM S. KNUDSEN, UNITED STATES ARMY

The CHAIRMAN. General Knudsen, this is the first opportunity we have had to meet with you since your promotion. Allow us to felicitate you on that promotion.

General KNUDSEN. Thank you very much.

The CHAIRMAN. We would be glad if you would give us a statement on the new set-up in production machinery with which you are to be charged.

General KNUDSEN. Of course, I just moved into the War Department yesterday morning, and all I know about is what was there when I came there. I am going to a meeting of the new Munitions Board this afternoon at 2:30; in fact, the first meeting; and I expect to find out there how the O. P. M. and the War Department are going to function in the matter of procurement and production.

The CHAIRMAN. To what extent, General Knudsen, have you been over this program previously in the O. P. M.?

General KNUDSEN. We had this up here in December, and we and O. P. M. have been over the program in its entirety, on the planning of it, and the entire number of airplanes to be manufactured under this program has been distributed by companies and by types and models.

The CHAIRMAN. You were present this morning during General Arnold's testimony. Do you consider the plan as outlined by him entirely feasible; that is, as to conversion of automotive machinery into production of war materials?

General KNUDSEN. Yes, sir.

The CHAIRMAN. About how long do you think that process will require?

General KNUDSEN. It depends entirely on the different jobs. Some jobs take longer than others. But I imagine that the main part of the automobile factories will be entirely tooled up in 5 or maybe 6 months.

The CHAIRMAN. Such an enormous program necessarily involves the production of correspondingly large quantities of material?

General KNUDSEN. Yes, sir.

The CHAIRMAN. How do you think we are supplied with those essential materials that will be required to turn out this increased program; for example, aluminum?

General KNUDSEN. I feel that for 1942 we are protected. For 1943 we will have to build some more aluminum facilities and magnesium facilities. In fact, we will have to build a lot of facilities for a lot of things.

The CHAIRMAN. Are we in a position to do it in time to get it ready when it is needed?

General KNUDSEN. Yes, sir.

The CHAIRMAN. That involves additional power as well as additional military facilities?

General KNUDSEN. Yes, sir. Whenever we have to consider expansion of aluminum facilities, the first thing we hunt for is power.

The CHAIRMAN. Power is essential, then, to the production of aluminum?

General KNUDSEN. Yes, sir; power and bauxite.

The CHAIRMAN. How are we supplied with power for that purpose?

General KNUDSEN. At the moment we have the power for it.

The CHAIRMAN. Have we sufficient at the present time for the entire expanded program?

General KNUDSEN. Beyond this?

The CHAIRMAN. Beyond this.

General KNUDSEN. Beyond this, we are hunting for it now. We have a very large portion of it now.

The CHAIRMAN. You must have additional power?

General KNUDSEN. Yes, sir.

The CHAIRMAN. How is that to be secured?

General KNUDSEN. We try to get that by taking a power pool in different locations and finding out how much we can draw from the pool.

The CHAIRMAN. Does that mean increased facilities, or do you pool power produced by present facilities to meet the program?

General KNUDSEN. It is a little of both, sir.

LABOR

The CHAIRMAN. Of course, the next essential after materials is labor. What progress is being made toward the 7-day week and the 24-hour day?

General KNUDSEN. There are negotiations going on now for the so-called swing shift, which means that seven men take five men's jobs, and shifts swing around on the 7-day basis.

The CHAIRMAN. Is it being employed at the present time in the production of airplanes?

General KNUDSEN. Yes; in certain shops it was employed even early last year.

The CHAIRMAN. Successfully?

General KNUDSEN. Successfully; yes, sir. Of course, you understand that in the steel mills we have had that for years.

The CHAIRMAN. You propose to expand that to all the plants producing war materials?

General KNUDSEN. Yes, sir; any plant that we can keep in operation.

The CHAIRMAN. Do you think that would be practicable to apply to automobile plants, for example?

General KNUDSEN. In such things as shells and machine guns, we feel we can do it. In other things, like airplanes, we might be able to assemble in 6 days what we can machine in 7 days.

The CHAIRMAN. What, in general, is your present monthly output of airplanes?

(Discussion off the record.)

Mr. STARNES. Will you have a request in later, General Knudsen, for additional facilities for expediting production?

General KNUDSEN. Yes, sir.

Mr. STARNES. Are you making a rounded plan which will bring in the raw material necessary, and the power necessary, to produce this vast number of planes?

General KNUDSEN. Yes, sir.

Mr. STARNES. Where do you find, or where do you anticipate, the greatest bottleneck in getting the facilities and in getting the raw material?

General KNUDSEN. I think it will be a series of bottlenecks all through. The quantities are very much larger than anything we have ever conceived. So I think we will have to take them one at a time and see what we will have to do.

Mr. STARNES. In other words, you will have to feel your way along, and as these bottlenecks develop, try to break the bottleneck?

General KNUDSEN. Of course, some of the materials are available now; but we will have to take them one by one and see what we will have to do to get them for 1943.

Mr. STARNES. As the official charged with the responsibility for this production, are you going to continue to expand these big airplane plants along the coasts, in exposed positions, so that a daring raid such as was made upon Pearl Harbor might wipe out the entire plant, or are you going to move into the interior?

General KNUDSEN. We are going into the interior, sir, of course.

Mr. STARNES. I certainly hope you do.

Mr. TABER. General Knudsen, can you give us anything regarding the status of our situation with reference to the aluminum production and the power production that would be definite as to what your requirements might be and as to what you have available, in the nature of statistics? If you could, I would like to have you put something of that kind into the record rather than give it to us here.

General KNUDSEN. We are not prepared for that as yet, sir; but we have sufficient for the 1942 production.

Mr. TABER. You are all right for your 1942 production?

General KNUDSEN. Yes, sir.

Mr. TABER. Now, as to what the situation is with reference to 1943, you do not have much idea?

General KNUDSEN. We are plotting that now. In fact, I found about 60,000 kilowatts, but I need some more.

Mr. TABER. There is a tremendous lot of power that can be salvaged by cutting out a lot of this advertising and that sort of thing?

General KNUDSEN. Yes, sir. We have already done that in one section. We had to do it in Atlanta last fall.

Mr. TABER. And you are doing it in other sections?

General KNUDSEN. We will do it as required; yes.

Mr. TABER. Now, as to your ability to handle all of these planes and get them out: At the present time, when would you begin to run out of work on the airplanes that are already appropriated for?

General KNUDSEN. You mean if this program is not approved?

Mr. TABER. Yes; before this program that we are talking about now.

General KNUDSEN. I believe we will begin running out in July on some of the lighter planes.

Mr. TABER. But not very much?

Colonel HEISS. Yes, sir; after August the curve goes right down.

Mr. TABER. You mean on combat planes?

Colonel HEISS. On tactical planes also, but not on the large bombers.

Mr. TABER. Now, on this item you have got to begin to raise the level in order to keep your production up to the level you already had on the 1st of July?

General KNUDSEN. We have got to raise the level in order to keep up.

Mr. TABER. You have got to raise the level of production in order to take care of these planes?

General KNUDSEN. Yes, sir.

Mr. TABER. You mean that the number of combat planes involved here will require you to raise the level of your production?

General KNUDSEN. Yes, sir.

Mr. TABER. Then you will not get into production with these new facilities for 14 months?

General KNUDSEN. Well, some of them we have under way from past appropriations that you have granted us. They are beginning to come in now.

Mr. TABER. With the facilities that are already provided for?

General KNUDSEN. Yes, sir.

Mr. TABER. You will not be in production next August as the result of this appropriation?

General KNUDSEN. On some of it we will be. When we make an addition to a present plant, where the job costs four or five million dollars, we will get some production in.

Mr. TABER. You will really be able to get some of these things out by the end of the calendar year 1943?

General KNUDSEN. Yes, sir. We received an order from the President to that effect.

Mr. TABER. Are you going to be able to do it, do you think?

General KNUDSEN. Yes, sir.

Mr. WIGGLESWORTH. The whole program that is before us?

General KNUDSEN. Yes, sir. There is another program, you understand.

Mr. WIGGLESWORTH. But the program can all be turned into planes and other materials by the end of 1943?

General KNUDSEN. All except the heavy bombers.

Mr. WIGGLESWORTH. What percentage of our existing facilities will be required to handle the program that is before us now, in addition to what we have already got?

General KNUDSEN. I do not think I understand your question.

Mr. WIGGLESWORTH. You gave us a table when you were here before us in December for the record, showing the percentage of our national manufacturing capacity that would be required to handle the program then under way. Now, I would like for the record, if you can give it to us, what the percentage would be on this program that is now before us, on top of what has gone before.

General KNUDSEN. This only deals with the airplanes in connection with the whole program. The entire program calls for 50 percent of the manufacturing capacity of the United States.

Mr. WIGGLESWORTH. I want to know what the whole program, with this included, means in terms of percentage of national manufacturing capacity.

General KNUDSEN. Fifty percent of the national income by the end of the year.

Mr. WIGGLESWORTH. No; I am talking about manufacturing capacity.

General KNUDSEN. I could not answer that.

Mr. WIGGLESWORTH. Could you bring that little table that you gave us in December up to date, so that it will include the program before us here?

General KNUDSEN. Yes, sir.

(The statement will be furnished later to the committee.)

Mr. CASE. General Knudsen, once before you gave us a statement on mass production with reference to the position of labor. I was wondering, in talking up this program, if you had in mind the utilizing of the productive power of small business in some of the smaller cities in the central part of the country. I have in mind the possibility that a great many garages and small factories connected with the automobile industry will be practically out of business now, and they have the greatest number of lathes and tools of various sorts.

General KNUDSEN. All the facilities that can be used will be used. With all these people now practically shut down, we will have to try to find something for them to do.

Mr. CASE. Is it possible to break down this production of airplanes into subcontracts?

General KNUDSEN. For small parts; yes, sir. There is quite a market for that. In fact, there is quite a lot of that being made now in small chunks, and as the program broadens out that area broadens out with it. But you will find there are very large numbers of small parts now being made in smaller factories.

Mr. STARNES. General Knudsen, you have been charged with the responsibility in this production program now for some time. Were you called as a witness before the so-called Truman committee to testify on the question of production?

General KNUDSEN. I do not remember at the moment. I have been before so many committees, sir, that I am a little bit uncertain, but I do not think I was. If I am mentioned in the report—I tried from time to time to find out if there were any specific instances that could be brought to O. P. M., so that we could check it up, but I was never able to get a single instance.

Mr. JOHNSON of West Virginia. If you were before that committee, you did not give any such testimony as you gave here this morning concerning the shortcomings that the Truman committee found you in at that time.

General KNUDSEN. Of course, I do not know, but I do know this: As far as my ability to observe shortcomings is concerned, none of the things mentioned in the Truman report happened in O. P. M., so far as I know.

Mr. DITTER. General Knudsen, in connection with this program, will you have the authority to deal with the labor factor as it brings its contribution to the completion of this program?

General KNUDSEN. I believe so.

Mr. DITTER. In other words, you have the responsibility of production and you feel that you are vested with authority which will enable you to deal with the labor problem as it contributes to this program?

General KNUDSEN. To the extent of that authority.

Mr. DITTER. Do you know of any other authorities that might be in conflict with your authority that might be embarrassing to the completion of the program?

General KNUDSEN. I do not know of any now. In fact, our labor problem, I think, is pretty well behind us.

Mr. STARNES. We cleared up a lot when the House passed the Smith bill, did we not?

Mr. DITTER. Then we are to understand that the responsibility with reference to this part of the program—that is, the labor part of the program—is a responsibility that you assume and that you intend to discharge; is that right?

General KNUDSEN. Yes, sir.

Mr. DITTER. And that, as you see it now, there are no factors which will embarrass you in the discharge of that responsibility?

General KNUDSEN. I do not see any. I will say that this is a power that the Secretary has delegated to me.

Mr. DITTER. The power of the Secretary of War?

General KNUDSEN. Yes, sir.

Mr. DITTER. Let me put one more question. Do you want to amplify that observation, General, in any way?

General KNUDSEN. I am told by Colonel Heiss that the Secretary of War has no such authority. Consequently, it will have to pass to the War Production Board and the War Labor Board, I presume.

Mr. DITTER. Then would you say that Mr. Nelson will share with you a part of this responsibility?

General KNUDSEN. I do not know. I have not found that out. I have not been over there yet.

Mr. TABER. That is what you are going to try to find out this afternoon?

General KNUDSEN. That is what I am going to try to find out at 2:30 this afternoon.

Mr. DITTER. Then you do not know whether you are going to have that authority, but you feel that you are going to have charge of the production program, and you are going to see that labor brings its contribution?

General KNUDSEN. Yes. I have no fear of the labor problem now.

Mr. TABER. I have here a copy of today's Washington Daily News, with the headline on page 6, "Fear of Congress delays Nation's war production." Have you experienced any such fear as that?

General KNUDSEN. Fear of Congress?

Mr. TABER. Yes.

General KNUDSEN. No, sir. I can truthfully say that I have never had any fear of Congress.

Mr. TABER. I have one other question. On page 9 of the same paper appears the following: "Nelson may pick Hillman as labor czar during war." I wonder how they are going to do anything of that kind?

The CHAIRMAN. I do not think Mr. Knudsen can answer that question.

Mr. TERRY. General Knudsen, you are in charge of production now. Would it be within your jurisdiction, and would you have the right, if you felt that there was danger of our production being interfered with on the seacoast, to order that production brought inland, in order to safeguard production?

General KNUDSEN. If it is necessary; yes, sir.

Mr. TERRY. You would have the authority?

General KNUDSEN. Yes, sir.

The CHAIRMAN. Thank you very much, General Knudsen.

The CHAIRMAN. We have discussed the estimates pretty generally and gone into many phases of them. In order that members may inquire about the specific items in the estimates, I suggest that we turn to the prepared justifications and take them. The first one will be that of the Air Corps.

AIR CORPS ESTIMATE

ADDITIONAL STATEMENT OF BRIG. GEN. O. P. ECHOLS

Turning to page 3 of the justifications, General Echols, to the estimate for \$9,041,317,400: You have given us the number of planes by types and you have given us the cost by types. Now, I would like to ask you: Will these planes be bought on the cost-plus-fixed-fee basis, or will there be competitive bidding?

General ECHOLS. There will not be competitive bidding. A great many of them will be bought on the cost-plus-fixed-fee basis—probably one-half on the cost-plus-fixed-fee basis.

The CHAIRMAN. Will there be a limitation on the percentage of the fee?

General ECHOLS. The limitation by law is 7 percent and, by policy, is 6 percent.

The CHAIRMAN. What ratio of spare parts to planes is provided?

General ECHOLS. It is 20 percent.

The CHAIRMAN. That is the ratio previously appropriated for?

General ECHOLS. Yes, sir.

(After discussion off the record:)

The CHAIRMAN. Would there be any objection, General Echols, to including page 3 of the justifications in the record, and the supporting pages 6 and 7?

General ECHOLS. No, sir; no objection.

Supplemental estimates C, fiscal year 1942, Air Corps, Army

SUMMARY OF PROJECTS

Purpose of project:

Project No. 12. Procurement of standard airplanes, complete	\$7, 144, 056, 340
Project No. 81. Procurement of spare engines for new aircraft	390, 421, 240
Project No. 82. Material and labor for the maintenance of aircraft (spare parts)	1, 506, 895, 510
Total Air Corps, Army	9, 041, 373, 090
Project No. 81. Procurement of spare engines for new aircraft: Estimated obligations	390, 421, 240

Supporting data: (a) To provide for the procurement of spare engines for the airplanes under project No. 12, on a basis of 35 percent spare engines for tactical airplanes, and 75 percent spare engines for training airplanes.

Airplane types	Total cost of installed engines in project No. 12	Cost of spare engines
Total tactical	\$968, 839, 930	\$339, 093, 960
Total training	68, 436, 350	51, 327, 280
Total spare engines		390, 421, 240

Project S2. Material and labor for the maintenance of aircraft:

Estimated obligations..... \$1, 506, 895, 510

Supporting data:

S2-1b. Spares with new airplanes..... 1, 506, 895, 510

(1) Airplane spares to be procured with new airplanes at 20 percent of the cost of airplanes (\$7,144,656,340)..... 1, 428, 811, 270

(2) Engine spares to be procured with new airplanes at 20 percent of the cost of engines (\$390,421,240)..... 78, 084, 240

The CHAIRMAN. General Echols, how do these costs compare with 1 year ago?

General ECHOLS. This cost is somewhat higher. You gentlemen remember that in November I appeared and asked for a deficiency, based upon last year's costs. These costs are based on what we paid for airplanes, including that deficiency.

The CHAIRMAN. What has been the trend in cost?

General ECHOLS. The trend in cost during the last year is definitely up.

The CHAIRMAN. Do you expect that trend to continue, or do you expect it to be constant?

General ECHOLS. These costs, as now estimated, are based on the assumption that the present trend will not continue.

The CHAIRMAN. You expect it to be standardized at these prices?

General ECHOLS. That is our present estimate.

(After discussion off the record.)

The CHAIRMAN. If there are no further questions of General Echols, thank you very much, General.

TUESDAY, JANUARY 20, 1942.

CHEMICAL WARFARE SERVICE

STATEMENTS OF MAJ. GEN. WILLIAM N. PORTER, CHIEF, AND COL. A. M. HERITAGE, CHEMICAL WARFARE SERVICE

The CHAIRMAN. General Porter, I note that this estimate of \$323,-308,675 is broken down into three items and, grouping them together, they are for airplane equipment, as a part of the airplane program, and for materials for that equipment. Can you give us off the record a description of that equipment?

General PORTER. Yes, sir.

(After discussion off the record.)

The CHAIRMAN. Are additional facilities required to complete this program?

General PORTER. Yes, sir. Funds will be required for facilities to produce magnesium and, in addition, for facilities to produce part of the equipment.

Mr. TERRY. General, how are you equipped as to gas masks for the Army?

General PORTER. Fortunately, we are extremely well equipped. We have today masks for every man in the Army and some civilian masks.

Mr. TERRY. What about the civilian gas masks?

General PORTER. We had an educational order for civilian gas masks, which masks have been under manufacture.

The CHAIRMAN. Thank you very much, General.

OFFICE OF THE SECRETARY OF WAR

EXPEDITING PRODUCTION

STATEMENT OF LT. COL. G. K. HEISS

The CHAIRMAN. Colonel Heiss, will you turn to page 115, if you please, and tell us how this estimate of \$933,000,000 was arrived at?

Colonel HEISS. It was based originally, sir, on the amount of supply money, which in turn was based on the items that were contained in the estimates. After that was determined, a survey was conducted of the facilities in the country to produce these items. The deficiency, as indicated, between the facilities that we now have or have under way, financed from previous appropriations, and the facilities that are required to produce these materials within the time limit specified, indicates this amount of money to obtain that production.

(Discussion off the record.)

The CHAIRMAN. Then you have facilities for Ordnance and Chemical Warfare.

(Discussion off the record.)

The CHAIRMAN. Will these be Government-owned and operated plants?

Colonel HEISS. No, sir. The great percentage of these will be produced in existing facilities.

The CHAIRMAN. You will not have to build plants for this purpose?

Colonel HEISS. The greater part of the \$933,000,000, with the exception of a great part of the \$180,000,000 for Ordnance and Chemical Warfare, will probably be new plants or expansion of existing Government-owned plants.

Mr. LUDLOW. It was stated, I think, earlier that there probably would be some new plants.

Colonel HEISS. Yes, sir.

Mr. LUDLOW. Where would that show here?

Colonel HEISS. That would show in these facilities for the assembly of air frames.

Mr. LUDLOW. And how much would that be in total?

Colonel HEISS. My estimate on that would be approximately \$100,000,000 to \$150,000,000.

The CHAIRMAN. Are those Government-constructed?

Colonel HEISS. Those would have to be Government-constructed and Government-operated.

The CHAIRMAN. How soon could they be under contract?

Colonel HEISS. They could be under contract within a month. The negotiations on some of these are already under way. It is not definitely determined as to which of them the Engineer Corps will build or which of them the Defense Plant Corporation might build.

Mr. LUDLOW. Has the location been chosen for any of these?

Colonel HEISS. Certain tentative locations have been chosen. There has been no definite approval.

The CHAIRMAN. As to those to be constructed, what are your plans for construction?

Colonel HEISS. These assembly plants—that is the place that all of the materials, the engines and component parts of an airplane flow together and are made into an airplane—will undoubtedly be Government-owned and Government-constructed plants.

Mr. POWERS. Why would the Defense Plant Corporation build those, then?

Colonel HEISS. They do not. Those are not the ones that the Defense Plant Corporation handles. The remainder of these things, expansions for subcontractors, expansions for making engines, that is, the component parts—

Mr. POWERS. Of existing facilities?

Colonel HEISS. Of existing facilities; yes, sir—those we would like to have the Defense Plant Corporation come in and handle.

The CHAIRMAN. How long after this money becomes available would you say you could get them under contract?

Colonel HEISS. My estimate would be that within 30 to 45 days after these funds are appropriated they will all be obligated and under contract.

The CHAIRMAN. Colonel Heiss, is there any objection to putting sheet No. 1 in the record?

Colonel HEISS. No, sir.

(The matter referred to is as follows:)

Supplemental estimate "C," fiscal year 1942—Expediting production of equipment and supplies for national defense

Project 1. Expediting production: Estimated obligations----- \$933,000,000

Supporting data:

Facilities for the assembly of airframes and the production of component parts therefor, the production of accessories, including radio and signal equipment, and the production of special raw materials and semifinished materials therefor----	635,000,000
Facilities for the production of aircraft engines and component parts-----	118,000,000
Facilities for ordnance and chemical warfare aircraft equipment and ammunition-----	180,000,000
Aircraft armament-----	\$25,000,000
Bombs (explosive and incendiary), including filler and raw materials therefor, pyrotechnics, etc-----	115,000,000
Small-arms ammunition and ammunition for aircraft cannon-----	40,000,000

933,000,000

Mr. MAHON. Colonel, what provision is the War Department making for the adequate production of this 100-octane gasoline for the tremendous expansion of the needs of the Air Corps?

Colonel HEISS. We have a War Department representative who is sitting on Mr. Ickes' Petroleum Control Board. He is General Pyron; I think from your home State. He was vice president, I think, of the Gulf Oil Co. He sits on that board, and he is presenting and getting for the War Department what we feel we need in the way of 100-octane gas as far as the distribution of it is concerned, as well as the expansion of existing facilities for the manufacture of 100-octane gas.

Mr. MAHON. Do you anticipate that there will be any difficulty in making provision for an adequate supply of the right kind of gasoline?

Colonel HEISS. I was informed yesterday by General Pyron that they had finally arrived at a decision and conclusion that had satisfied him that we were going to be taken care of.

Mr. MAHON. You do not know whether any War Department funds will be used?

Colonel HEISS. The present plans do not contemplate the use of War Department funds.

Mr. COLLINS. Colonel, under the provisions on page 1, which has been inserted in the record, do you have authority to furnish additional equipment, lathes, and so on, to existing plants?

Colonel HEISS. Yes, sir.

The CHAIRMAN. Are there any further questions? If not, we thank you, Colonel Heiss.

TUESDAY, JANUARY 29, 1942.

SIGNAL CORPS

STATEMENTS OF COL. JAMES T. WATSON, JR., AND LT. COL. KIRK B. LAWTON

The CHAIRMAN. We next take up the estimate for the Signal Corps. We have an item of \$680,242,000 for the Signal Service. I see it provides for radio sets, equipment, and accessories. Can these be provided through existing facilities, or will you have to create plants for them?

Colonel LAWTON. The present program provides for using existing facilities, with some minor expansions, to produce this equipment.

The CHAIRMAN. How soon after this money is available can you place the orders?

Colonel LAWTON. Within a week from the time the funds are made available. We expect to keep the production of this equipment in step with the airplane production, except that it is necessary to have our equipment produced about 3 months ahead of the planes for which the sets are produced, because various parts are manufactured in various factories, so that we have time to assemble the set and get it into the plane by the time it gets off the line and is ready for delivery.

The CHAIRMAN. Will this equipment be new, or will it be standard equipment?

Colonel LAWTON. It will be both. There are some items which have not been produced heretofore, and the remainder are in production.

The CHAIRMAN. Is there any appreciable cost of maintenance, or when once installed, is it efficient for the life of the plane?

Colonel LAWTON. We have included a hundred percent spare sets to take care of maintenance.

Mr. LUDLOW. Are those to be purchased on competitive bids—this radio equipment?

Colonel LAWTON. Not in the strict sense of the term "competitive bid." There will be competitive consideration, but the bid will be negotiated. It will not be negotiated until we have gotten competition from all the people that are capable of making it.

Mr. LUDLOW. You first choose a certain number of qualified contractors and then make your competition between them?

Colonel LAWTON. That is right.

Mr. SCRUGHAM. Colonel, are you providing for any S. C. R.-268? Is that a standard radio?

Colonel LAWTON. No, sir; as that is standard ground equipment.

Mr. ENGEL. Colonel, we have here \$680,000,000 worth of radio and Signal Corps equipment, which is a large sum, and I am rather indefinite as to just how you let these contracts. Let us say you are letting a contract now for that first item, and a number in the item at the unit cost. Now, just how do you go about it to let that contract?

Colonel LAWTON. I will explain. Last Saturday the Chief Signal Officer had a conference with the President and representatives of a number of manufacturers that are capable of producing the equipment that we are asking for here—people with whom we have done business before, and who are capable of producing the old equipment and the new. An allocation of facilities is studied, and the first piece of equipment here, the S. C. R. 183, is tentatively allotted to one organization, with the provision that it subcontract 40 percent of the original contract. This is done so that the little fellow will get work and participate in the manufacture of this equipment, thereby utilizing all facilities.

Mr. ENGEL. As a subcontract?

Colonel LAWTON. As a subcontract. The reason we let it all to a prime contractor is that he has the engineering facilities, the tools, jigs, and so forth, and can turn part of the work over to the little fellow who has not such facilities.

Mr. ENGEL. In other words, here are six companies that are qualified. You allocate that item to one company which is equipped to do that work?

Colonel LAWTON. That is right.

Mr. ENGEL. Now, where does the bidding come in; the competition?

Colonel LAWTON. It is not competition as we knew it heretofore. We have previous unit prices on most of this equipment which were obtained from competitive bidding, and the unit prices included here are in line with the former prices. There are one or two unit costs that are a little less, and there are some of them that are higher. From our knowledge of the product we know that the negotiated price is in line with present-day conditions.

Mr. ENGEL. All right. Now, how many companies are there who are prime contractors or can qualify as prime contractors to take this sort of contract?

Colonel LAWTON. The present plans contemplate the distribution of the manufacture of this equipment to over 20 prime contractors.

Mr. ENGEL. In arriving at this unit cost, do you confer with them individually or collectively?

Colonel LAWTON. Individually.

Mr. ENGEL. And in this unit cost have you taken into consideration increased costs of labor and material?

Colonel LAWTON. Yes, sir. The unit cost price is an agreement between the manufacturer and the Signal Corps Purchasing Division.

Mr. ENGEL. In fact, there is no competitive bidding at all?

Colonel LAWTON. That is right; there is no competitive bidding.

Mr. ENGEL. Now, you have here a hundred percent spares. Let us take one item. On the first item the unit cost is \$1,200. What part of that unit cost is for the set itself and what part for spares? In other words, could you buy a hundred percent spares knocked down at the same price that you would buy it assembled, or do they charge you more for the spares than for the assembled set?

Colonel LAWTON. No, sir, we do not buy them that way. We will buy two sets for each plane—two complete radio sets at a cost of \$1,200 each.

Mr. ENGEL. In other words, the term "spares" is not a spare part, but it is a spare set?

Colonel LAWTON. That is right.

Mr. ENGEL. Do you limit these companies in the profit they can make on these sets; or do you know what profit they make?

Colonel LAWTON. I do not think we know exactly what profit they make.

Mr. ENGEL. You have no idea what profit they make on these sets?

Colonel LAWTON. We know the profit is not excessive since the price is in line with current prices.

Mr. ENGEL. You do not have any idea what part of that unit cost is labor, what part is material, what part is overhead, and what part is profit, do you?

Colonel LAWTON. Only in general.

Mr. ENGEL. You do not know whether or not, in the cost of that set, they have figured in anticipated income taxes before the contract is let?

Colonel LAWTON. No, sir.

Mr. ENGEL. You have no idea on that at all?

Colonel LAWTON. No, sir.

Mr. ENGEL. Have you any information as to whether or not these companies are operating together as a sort of closed corporation in any of these bids?

Colonel LAWTON. I do not believe so. I do not think these prices are out of line, because they are similar to those that were obtained under straight competitive bidding some months ago, but since we are not now using competitive bidding we have recently set up an audit section for future use.

Mr. ENGEL. Now, just what kind of a set is this set? We will say that unit cost would be \$600 apiece. Would that be about right on that No. 1 item?

Colonel LAWTON. No, sir; it is \$1,200 for that set.

Mr. ENGEL. Now, ordinarily, when you say so many units with a certain percentage of spares, the spare is figured in the unit cost?

Colonel LAWTON. No, sir.

Mr. ENGEL. You do not figure that way?

Colonel LAWTON. No, sir; it is a spare set.

Mr. ENGEL. In other words, you have ordered the quantity named there, which is twice the number required?

Colonel LAWTON. One set is for installation in the plane and one set is for replacement.

Mr. ENGEL. Then that \$1,200 represents the cost of one set?

Colonel LAWTON. Yes, sir.

Mr. ENGEL. Just what kind of a set is that?

Colonel LAWTON. The radio set SCR-183 is installed in a training plane. It has a range of about 15 miles, and it is used for communication either from plane to plane or from plane to ground. It includes the receiver, the transmitter, the motor generator, the headphones, and all the equipment for the operation.

Mr. ENGEL. Then, of course, there is nothing in your office or in your Division by which one could determine a break-down of that unit cost?

Colonel LAWTON. Colonel Watson can answer that.

Colonel WATSON. On the matter of cost, up until recently, all of our awards have been made competitively. We have advertised and have had the competitive prices submitted as a foundation for the prices included in this estimate.

Mr. ENGEL. All right; stop right there. Did you get real competition? Did they actually cut each other's prices and get down and bid?

Colonel WATSON. They did.

Now, in view of the situation as to the quantities and the time element incident to the war, we negotiate the contract. We have not gone to one manufacturer and said, "What will you produce this set for?" but we usually go to several. We had a complaint recently from a man who bid \$6,300 for one item, which was considered excessive. We obtained two prices on this set. During negotiations the high bidder came down about \$2,300. However, we secured a price of about \$3,000 from another manufacturer.

We did check his cost estimates in detail and did therefore have a foundation for making him come down in price. We did not just go out and say, "We want so many sets; go ahead and produce them." We check the price here in Washington on every large contract before the contract is made. That is the method we used.

Mr. ENGEL. The important thing to my mind is the question whether or not you know what that particular unit cost ought to be.

Colonel LAWTON. Yes, sir; we know that.

Mr. ENGEL. Then it does not make much difference. I mean, you are safe in going ahead with a negotiated contract under the circumstances.

Colonel WATSON. We have a background of the competitive prices for all this type of equipment.

Mr. DITTER. In line with Mr. Engel's questions, is there any particular secrecy as to why the names of these companies cannot be put in the record?

Colonel LAWTON. I shall be glad to furnish this committee with all the names of the companies but they should not be published.

Mr. ENGEL. I would like to have you furnish a list of the companies.

Colonel LAWTON. They will be furnished to the committee.

Mr. DITTER. Did you ever have this S. C. R. 520 made before?

Colonel LAWTON. No, sir; that is new equipment. None have previously been delivered.

Mr. DITTER. What basis did you have for determining that this cost of \$15,000 was a reasonable cost?

Colonel LAWTON. Our laboratories at Wright Field have been following the production of similar equipment and have made contracts for development quantities of this equipment.

Mr. POWERS. When you call in five of these companies and determine a price and give the order to one company would it not be better to give the order to five companies instead at the lowest price that you can get, if they would take the order and get your equipment that much faster, instead of giving it to one?

Colonel LAWTON. No; because the other four people are working on other equipment for us. In other words, we have a round-table conference of these manufacturers, and we have a definite amount of equipment that must be manufactured. We know that one manufacturer will make this particular set better than the other manufacturers. He has the facilities for making that particular type of set, and we make a negotiated contract with him for that set. Then we go to another manufacturer and negotiate with him for another item.

Mr. POWERS. On that theory you have only one firm that is equipped to make this one particular set; is that right?

Colonel LAWTON. No, sir. There are other firms who could make it. In general we endeavor to have all critical items produced by at least two companies. Another consideration in selecting one firm may be that it is a repeat order. For some of these sets we may have had deliveries from previous orders. It will be a repeat order, and the manufacturer is given the order because he is already tooled up, and we want him to continue on this item.

The CHAIRMAN. Let me say this: I believe it is the general consensus of opinion of the committee that the important thing is to get this equipment and get it on time.

Of course, we want you to check these things as thoroughly as you can, get them as economically as you can; but we would rather have a little less red tape than a little bit too much red tape. The point is to get them and to get them into operation in time to send these planes out.

Thank you, Colonel Lawton.

TUESDAY, JANUARY 20, 1942.

ORDNANCE DEPARTMENT

STATEMENT OF COL. H. R. KUTZ

ORDNANCE SERVICE AND SUPPLIES

The CHAIRMAN. We have an item for ordnance service and supplies, in the amount of \$1,547,948,529.

Colonel Kutz, is all of this money to be spent in furtherance of the program which we have discussed here, or is some of it to be spent for other purposes?

Colonel KUTZ. No, sir. It all pertains directly to this Air Corps program.

The CHAIRMAN. On what basis did you make the estimate for the arms and ammunition here?

Colonel KUTZ. It is based on the prescribed number of missions for the planes of the various types. First, the armament of the various types; then the number of missions per plane, and the amount of ammunition and bombs involved. It bears a direct ratio to the number of planes and the number of missions per plane.

The CHAIRMAN. Are these experience prices or estimated prices?

Colonel KUTZ. These are experience prices based on the most recent procurement of items of a similar nature.

The CHAIRMAN. How much of this material will have to be made outside of Government plants, if any?

Colonel KUTZ. A great deal of it will be made in commercial plants. We have built up in procurement of previous portions of the defense program quite a large capacity for machine guns and for different types of ammunition, aside from small-arms ammunition. Most of the small-arms ammunition will be produced in the Government-owned and agent-operated small-arms ammunition plants, due to a lack of non-Government-owned capacity for that type of ammunition in this country.

The CHAIRMAN. You will not have to have any additional facilities other than those now in use or under construction?

Colonel KUTZ. Yes, sir. As Colonel Heiss has testified, there is \$180,000,000 for both ordnance and chemical warfare plants. Ours are chiefly expansion of small-arms ammunition plants, a certain amount of bomb-capacity expansion, and an expansion of some automatic-weapon capacity.

The CHAIRMAN. How soon after this money is available can you let contracts?

Colonel KUTZ. We expect to place contracts for this, I should say, within 30 days.

The CHAIRMAN. What is the trend of cost of this stuff?

Colonel KUTZ. The trend of cost is generally upward, Mr. Chairman.

The CHAIRMAN. Do you expect to have to pay any more than you are estimating at this time?

Colonel KUTZ. No, sir. This estimate is based on recent prices, as I say, and it seemed to be a fair estimate as to what the several items should cost over the period of time during which they are to be procured.

Mr. LUDLOW. How soon, Colonel, do you expect deliveries on these?

Colonel KUTZ. Deliveries are planned to meet the schedule of plane production.

Mr. LUDLOW. That is what I had in mind. How much in advance of plane production do you expect deliveries?

Colonel KUTZ. Normally several months in advance. We allow a factor of safety there so as to be sure to have the armament so that it may be mounted on the plane when the plane rolls off the production line.

Mr. LUDLOW. What storage facilities do you have?

Colonel KUTZ. We have temporary storage facilities at all of our own production plants, of course.

Mr. LUDLOW. To accommodate all of this production?

Colonel KUTZ. Yes, sir.

Mr. COLLINS. Will there be any congressional interference that will keep you from letting contracts for this earlier than 30 days?

Colonel KUTZ. Not that I know of, sir.

Mr. COLLINS. I noticed an article in the News this afternoon which seems to indicate that there might be congressional interference such as has been responsible for delays in procurement heretofore. Have you experienced anything like that?

Colonel KUTZ. No, sir.

Mr. CASE. What about the trend of cost on this material?

Colonel KUTZ. The trends have generally been up. However, as we went into mass production on the large quantities of ammunition, particularly artillery ammunition, and also on bombs, we did find a suitable reduction in the unit price.

Mr. CASE. You heard the testimony here earlier concerning labor costs and other items entering into the rising cost of airplanes.

Colonel KUTZ. Yes, sir.

Mr. CASE. But you are not experiencing the same thing here?

Colonel KUTZ. Yes, sir; we are experiencing it right along, particularly in the Government-owned agent-operated plants, where we are paying time and a half for overtime, and working at least 8 hours a week overtime.

Mr. DITTER. Is the unit cost in a Government-owned and operated plant greater or less than the unit cost of the same product made in a privately owned plant.

Colonel KUTZ. That would vary with the item and conditions.

Mr. DITTER. Are there any cases where your costs would be higher in the Government-owned plant?

Colonel KUTZ. Government-owned and Government operated or agent-operated?

Mr. DITTER. Government operated.

Colonel KUTZ. Costs in Government-operated plants would normally be less than they are in your Government-owned, agent-operated plants.

Mr. DITTER. Are all factors of cost taken into account in that Government cost sheet?

Colonel KUTZ. Yes, sir.

Mr. DITTER. I mean such items as taxes?

Colonel KUTZ. Well, the Government does not pay itself taxes.

Mr. DITTER. In other words, the Government-owned-plant cost sheet does not include all of the factors that must be included in the cost sheet of the privately operated plant.

Colonel KUTZ. That is correct. We do not include taxes nor the element of profit and there are certain other elements, of course. But prices are comparable, none the less.

Mr. ENGEL. Colonel, I notice you have here an item of flare bombs, unit price of \$65. Suppose you got a bid on those flare bombs of \$50 or \$45 per unit. What would happen to the other \$25? Is there any part of that unit price spent for anything except the item under the bid itself?

Colonel KUTZ. Yes. You take a machine gun——

Mr. ENGEL. No; let us take this flare bomb.

Colonel KUTZ. Very well, let us take the flare bomb. There is the cost of inspection, of course. There is the cost of transportation. If it has to be assembled with a parachute from another place, there is the cost of transportation of the components to make up the complete item. It is all an inherent part of the cost of the finished item.

Mr. ENGEL. What I am getting at is this: You had some bids for flare bombs, and I understand that those bids were around \$50 apiece.

Colonel KUTZ. For which bomb?

Mr. ENGEL. M-26. Those bids were opened sometime ago, and I believe the price was \$50 apiece for the assembled bomb.

Colonel KUTZ. I would have to check up on that. I have no personal knowledge of that.

Mr. ENGEL. Suppose that were the bid for the assembled bomb; you would have to add to that the transportation from factory to where?

Colonel KUTZ. To the point of storage or issue.

Mr. ENGEL. Are there any other items that go in there?

Colonel KUTZ. Proof testing.

Mr. ENGEL. Proof testing?

Colonel KUTZ. Yes, sir.

Mr. ENGEL. Are those proof tests made before or after?

Colonel KUTZ. Before final acceptance.

Mr. ENGEL. Would that add a cost of as much as \$15?

Colonel KUTZ. No; I would not think so.

Mr. ENGEL. Suppose that it costs \$55 complete, proof testing and everything; what would happen to the other \$10?

Colonel KUTZ. You would save \$10, which would be reported, toward the end of the fiscal year, to the General Staff, to be applied against shortages in the existing program.

Mr. ENGEL. It would be applied against shortages?

Colonel KUTZ. Yes, sir.

Mr. ENGEL. In other words, you would take those overages on this bomb and apply it against a shortage, let us say, in a rifle item?

Colonel KUTZ. That is correct; yes, sir. Any prudent manufacturer must have certain operating reserves. You may, for example, originally estimate that a tank is going to cost \$50,000, but when you put all the newest gadgets in—put a new turret on it, add armor and armament, and do other things to it—it may bring the unit cost up to \$65,000, and you have requested the Congress for money for a thousand of them at only \$55,000 each. So you are going to be short. But, on the other hand, you may get bombs for a lesser unit price than you anticipate. But if your overages and shortages do not balance, in the final analysis, you have to come to Congress for a deficiency appropriation.

The CHAIRMAN. If there is nothing further, thank you, Colonel Kutz. That concludes the hearings, gentlemen.

TUESDAY, JANUARY 20, 1942.

LOCATION OF PLANTS FOR MANUFACTURE OF DEFENSE ARTICLES

STATEMENT OF HON. JOHN J. COCHRAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. COCHRAN. Mr. Chairman, I appreciate the opportunity to comment upon the request of the President in his message of January 16

for supplemental appropriations totaling over twelve billion dollars. The point that I want to bring out is that while I realize it is not feasible to place the locality in an appropriation bill, nevertheless, I hope this committee will let those who are going to be responsible for the expenditure of this tremendous sum know that it would be advisable in expanding or constructing new plants to locate them in some place in the country other than on the seacoast. We find today that some of the largest aviation plants, as well as munition plants, are close to our seacoast and as a result there is an added responsibility upon our Navy to be on the alert at all times to defend those most important manufacturing plants in the event of attack.

As the President pointed out in one of his speeches, even the center of our country is not immune from attack, but common sense tells us it would be safer to have an airplane factory or a munitions plant in the center of the country rather than along the coast. It is for that reason that I express the hope that the committee will let the War and Navy Department officials know that it is the feeling of the committee that the safest place to manufacture defense articles is in the center of the country rather than along the coast.

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FOURTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL, 1942

JANUARY 23, 1942.—Committed to the Whole House on the state of the Union
and ordered to be printed

Mr. CANNON of Missouri, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany H. R. 6448]

The Committee on Appropriations submits the following report in explanation of the bill entitled "A bill making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes"—fourth supplemental national defense appropriation bill, 1942.

The Budget estimates upon which the bill is based were submitted by the President in House documents of the present session as follows: No. 567, for military activities of the War Department, \$12,525,872,474, and No. 566, for the Tennessee Valley Authority, \$30,000,000, a total of \$12,555,872,474.

The committee has approved the full amount of the Budget estimate in each case as follows:

Military activities, War Department:

Expediting production.....	\$933, 000, 000
Air Corps, Army.....	9, 041, 373, 090
Signal Corps.....	680, 242, 180
Ordnance Department.....	1, 547, 948, 529
Chemical Warfare Service.....	323, 308, 675

12, 525, 872, 474

Tennessee Valley Authority, construction of Douglas Dam on the French Broad River.....	30, 000, 000
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Total.....	12, 555, 872, 474
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WAR DEPARTMENT MILITARY ACTIVITIES

The sum of \$12,525,872,474 is the largest single appropriation ever presented to Congress for the procurement of military equipment. The proportions of the amount are more strongly emphasized by the fact the entire total is for one particular implement of military equipment—airplanes. This program, supplemented by those that are to follow, also involves the greatest dislocation, readjustment, and conversion of industrial production that the Nation has ever experienced. The amounts recommended in the bill under the five titles of appropriation constitute an integrated program for the procurement of airplanes, facilities for production, communications and signaling equipment, armor, armament, ammunition, and other devices for their operation in combat or in training. The funds contemplate the procurement of 33,000 completed airplanes of which 23,000 are tactical types and 10,000 are training types.

The committee has held hearings on the request at which the witnesses were Under Secretary of War Patterson, Lieutenant General Arnold, Deputy Chief of Staff for Air, Lieutenant General Knudsen, Director of War Department Production, and chiefs of the various branches concerned with the program or their representatives.

This is the first appropriation bill the committee has presented to the House for military purposes since the declarations of war. During the period of the emergency preceding these declarations the committee was obliged to refrain from presenting to the House much of the detail in connection with appropriations due to its confidential characteristics. It has become more important since the declaration of war that data and details concerning our plans, programs, and policies of a military nature be regarded with the utmost precaution to the end that nothing be divulged that would be of assistance to those who desire to see our national war effort impeded or defeated. The printed hearings, therefore, are very brief as practically all of the testimony of significance was given in executive session and "off the record."

The purposes of the program are clearly and concisely set forth in the preliminary statement of General Arnold, which is as follows:

General ARNOLD. Mr. Chairman, it was my thought to submit a written statement, which I shall read. I realize that there will be many questions asked, and I think by that means we will be able to clear up in detail the different items as they are presented to you.

The offensive act on December 7, 1941, that suddenly thrust war upon us clearly demonstrated the vital importance of the air arm in our national defense. During the recent period of insecure peace the air force has been working logically step by step for the attainment of a state of preparedness compatible with our national policy as its objective. Our enemies, by their unprovoked and untimely attack, have interrupted our planned air-force augmentation. Now we are not only accelerating the attainment of our original state of preparedness, but we are also conducting combat operations and must concurrently build toward our offensive knock-out blow. Our enemies, with their clear aggressive policies, have the jump on us by having selected their own time for war and their own objectives for attack. By virtue of their national policies, they have long ago laid and pursued their plans for aggressive war. Now we, by decisive action, must counteract the time advantage of the enemy.

The air-force problem in this case is efficiently and conclusively to fulfill our team assignment. In order that we may carry out this team assignment we must accelerate the augmentation of our air force and at the same time provide for the attrition of combat operation. In other words, we now must have a continuous flow of aircraft and the necessary production, instead of a series of job-lot

orders which has heretofore been adaptable and desirable in the process of building up to a given strength or state of defense. This program is submitted in order to provide for the building up of planes for our air force and for our Allies, and to provide for the combat attrition inevitable in air operation.

Continuous flow of production depends, first, upon continuously extended contracts and continuous production planning. Here we are proposing a base upon which the airplane plants may further extend their production plans.

Under present production schedules we will attain maximum production on existing orders for most types in August of 1942, and from thereon production will gradually decline due to lack of further orders.

The program we are here presenting is necessary to maintain continuity of present planned capacity in that portion of the aircraft industry allocated to the Army, and to increase the production level of heavy bombers to ——— per month. Since the production cycle of the heavy bombers is considerably longer than that of the training types, production plans for this type must be projected many months further ahead. Continuity of production is essential for maximum effort. In order to assure delivery of heavy bombers in 1943 and 1944 we must let contracts for them early in the calendar year 1942. However, contracts for trainers let now should result in delivered articles during August of 1942.

The production program has been carefully worked out and is of two parts. The first contemplates the maximum utility of present facilities under present planned production, and the second provides for increased facilities for additional capacity in the heavy bomber types. These types are of paramount importance in the present emergency, and their production must be assured even though present facilities should be destroyed. We cannot afford to take a chance on this production.

Facilities are provided to round out the production of present prime capacity as well as for the increased capacity. These facilities include those for the production of essential accessories, special raw materials and semifinished materials, and ammunition as well as prime facilities for aircraft and engine production.

The air force is attempting, and the aircraft industry is fully cooperating, to obtain maximum production of present facilities through working 24 hours a day, 7 days a week. Such schedules will naturally considerably reduce the period with which the airplanes in this program will occupy the aircraft industry. Continual study is being made to determine possible production schedules with this maximum utilization of present and planned facilities.

It is considered essential that funds for this program be made available at the earliest possible date in order that the present facilities may prepare for further production and that the new facilities may be expedited.

The President in his annual message of January 6 announced an objective of increasing the production of airplanes (Army and Navy) so that 60,000 would be manufactured in 1942, of which 45,000 would be combat airplanes, and 125,000 in 1943, of which 100,000 would be combat airplanes. The program recommended in the accompanying bill does not entirely meet the War Department's portion of that goal. It ties in with it and is a preliminary step that will aid materially in meeting it, but the committee is advised that additional funds to effectuate plans now under preparation by the War Department will be necessary to carry it to complete fruition so far as the War Department is concerned. The funds in this bill (1) will prevent a decline that would occur next August in airplane production due to the fact that existing orders would run out by that time, (2) will fill up new capacity heretofore appropriated for that will be in production by that time, and (3) increase capacity for the production of bomber types.

The sum of \$933,000,000 for expediting production is to be utilized for the creation of facilities for production of aircraft, and the weapons and ammunition necessary properly to equip the aircraft for combat

operations. The following is the general segregation of the total amount:

Facilities for the assembly of airframes and the production of component parts therefor, the production of accessories, including radio and signal equipment, and the production of special raw materials and semifinished materials therefor-----	\$635, 000, 000
Facilities for the production of aircraft engines and component parts-----	118, 000, 000
Facilities for ordnance and chemical warfare aircraft equipment and ammunition:	
Aircraft armament-----	\$25, 000, 000
Bombs (explosive and incendiary), including filler and raw materials therefor, pyrotechnics, etc.-----	115, 000, 000
Small-arms ammunition and ammunition for aircraft cannon-----	40, 000, 000
	180, 000, 000
Total-----	933, 000, 000

Most of the foregoing sum will be utilized in connection with the conversion and expansion of existing facilities. Such expansion will require the construction of some additions to existing plants, but in the main will require the production and purchase of a great amount of manufacturing equipment for installation in industrial establishments to be converted to wartime production. Entirely new construction will be limited principally to the creation of bomber-assembly plants and plants for the production of explosives, incendiary materials, etc. The committee has been advised that these new plants will be located in the interior of the country.

At the request of the War Department, the committee recommends the removal of a limitation in current appropriations which restricts the utilization of the Defense Plant Corporation, a subsidiary of the Reconstruction Finance Corporation, in connection with expansion of War Department plant facilities. The War Department has experienced some embarrassment in connection with the operation of the limitation and while it is not anticipated at this time that it will be necessary to exceed the funds provided in the bill for the purposes outlined, it is deemed in the interest of expedition of the program to place the department in a position where it may meet the exigencies of any particular situation without being obliged to wait for legislative relief. Production should be facilitated and expedited in every reasonable way. The committee feels, however, that through the removal of this limitation there should be exercised the greatest care to see that there is no unnecessary expansion or overlapping of construction forces in other agencies which could be as expeditiously handled by the organizations of the War Department.

The committee has included in this bill a provision similar to that in the third supplemental national defense appropriation bill, 1942, to the effect that the President may authorize the Secretary of War to dispose of defense articles, procured with funds in this bill up to a total not exceeding \$4,000,000,000, to the government of any country whose defense the President deems vital to the defense of the United States in accordance with the provisions of the Lend-Lease Act of March 11, 1941. This provision is in the interest of prompt and effective utilization of the defense articles to be produced with these funds in whatever theater of action or by whatever nation

they can the most effectively be used against the common enemy. It does not relax the requirements of the Lend-Lease Act as to an accounting between the nations to which the material is furnished and the United States nor as to the agreements between them and the United States respecting the defense articles. It does mean that in placing orders for procurements it is not necessary in advance to allocate the amounts for the account of lend-lease and keep those procurement funds separate from procurement funds for our own account. The determination as to use and allocation will be made after procurement and all other provisions of the Lend-Lease Act will be as applicable as though the funds had been appropriated specifically in lend-lease appropriation titles. All of the benefits of flexibility for use are attained without loss of any of the requirements of the Lend-Lease Act.

The committee has inquired as minutely into the program as circumstances and current conditions permit. Assurances are given by those in responsible authority that it can be carried through within the time limits set. General Knudsen, while Director General of the Office of Production Management, had cleared the program as to its feasibility of accomplishment. He says it can be done. The attitude of War Department officials is that it must be done and that is the spirit that wins wars.

The committee has inquired into a number of features of current operation in present aircraft programs particularly with reference to recent official criticisms with respect to the efficiency, development, production, etc. of our airplanes. These inquiries and comments will be found appropriately indexed in the hearings and will prove of interest to the House. In this connection, while the estimates before the committee on this program are based almost entirely upon unit costs now prevailing for the various articles to be procured, the committee has noted and inquired into the great increase that has taken place in these unit prices since the defense program started in mid-1940. Information of the factors influencing these rises is set forth in the hearings. The committee feels that with the initiation of these vastly increased programs it is more incumbent upon the War Department to give as close attention as possible, consistent with the utmost expedition of procurement, to keep prices from rising further through factors that are within the control of that Department. The financial burden of the program on the American people is oppressive and will become more so and every dollar saved means a dollar less to be borrowed or extracted by taxation.

Expedition is urged in consideration of the funds in order that they may be utilized at the earliest date. The committee commends this course of action to the House.

Many inquiries have been directed to the committee as to the effect of these additional appropriations on the projected estimated expenditures for national defense for the current fiscal year and the fiscal year 1943, as set forth in the expenditure statements in the 1943 Budget. The expenditures under these appropriations are included in those expenditure figures and will not serve to increase the amounts so estimated in the Budget calculations.

TENNESSEE VALLEY AUTHORITY

The committee has incorporated in this bill an appropriation of \$30,000,000 for the construction of the Douglas Dam on the French Broad River near Dandridge, Tenn., pursuant to the Budget estimate for that purpose transmitted by the President on January 15 last. The total estimated cost of the project, including acquisition of the site and the supplementary transmission lines to integrate the project with the remainder of the Tennessee Valley Authority system, is \$33,000,000.

This project was first recommended for appropriation by submission of a Budget estimate by the President on September 16, 1941, for a number of hydroelectric installations to increase the power output of the Tennessee Valley Authority for national defense. All of these installations, with the exception of the Douglas Dam, have been provided by appropriation. The committee did not include the Douglas Dam project for appropriation partly because of the opposition that had developed against it and partly because of a belief that the power requirements in that area as outlined to the committee at the first hearing did not justify it on the basis of then known and projected defense power needs.

Two projects were substituted by Congress for the Douglas Dam as a result of the controversy over it—the Cardens Bluff project and the Riddle Creek project on the Holston River. They, however, will not bring in electricity until the middle of calendar 1944 and if unfavorable rainfall conditions should prevail during the period of filling the reservoirs, that date might be 1945. They will, therefore, be of no use so far as a contribution to the power supply is concerned in 1943. Initial work has started on these projects and their contribution to the power supply at the time of their completion will undoubtedly be needed and justify their construction.

Since the rejection of the Douglas project, however, the Nation has been plunged suddenly into the world-wide war. All of the previous calculations as to production of material and equipment for war needs and the power necessary to secure that production have undergone and will continue to undergo radical revision upward until victory is attained. All of the resources of the United States are pledged toward that end by the Congress of the United States in the formal declarations of war.

The power from the Douglas Dam will be urgently needed for war production in the Tennessee Valley Authority area and vicinity. It has an estimated continuous power output for the average year of 168,000 kilowatts, of which 53,000 are at the site and 115,000 at downstream plants. The committee is advised that if the funds are provided at once the dam can be closed and the reservoir filled in the spring run-off season of 1943. Time is an important factor now due to the delay that has ensued, as the original estimate of construction contemplated 14 months for closure of the dam. Unusual expedition will have to be resorted to by the Tennessee Valley Authority to accomplish this even if a start is made as soon as the funds are available. The Tennessee Valley Authority engineering staff has a fine record in expediting construction on previous projects and the committee feels that it can do this job efficiently in the short time remaining.

The project is an unusual power development. It can be built in a remarkably short time, it has a high production of continuous kilowatts, and the cost of the energy is estimated to be under 1.25 mills per kilowatt-hour. All of the factors fit admirably into war production requirements for speed, high output, and low cost. It is also close to the existing transmission system of the Tennessee Valley Authority and can be tied in at a relatively low cost and is close to present aluminum facilities and to other loads.

The committee was advised by General Knudsen, in connection with the discussion of the airplane program, that additional aluminum facilities and magnesium facilities would have to be built for 1943 in order to effectuate the war effort and that additional power is needed for 1943.

The committee regrets to bring in a project about which there has been heated controversy. However, regardless of any previous or present opposition, our country is at war and the project has again been requested by the President. The power is needed and this development obtains it at a low cost and within the time limit. The committee urges the House to give its prompt approval so that work may immediately be started and the war effort expedited.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following provision is recommended under the War Department:

On page 3:

Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary of War to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense article procured from funds appropriated in this title, in accordance with the provisions of the act of March 11, 1941 (Public Law 11): Provided, That the total value of articles disposed of under this authority shall not exceed \$4,000,000,000.

Compliance with clause 2 (a), Rule XIII:

PRESENT LAW

The third proviso clause appearing under the head of Expediting Production in the Military Appropriation Act, 1942 (Public Law Numbered 139, Seventy-seventh Congress), and reading as follows: "*Provided further*, That no obligations shall be incurred for or on account of objects appropriated for under this head to the Military Establishment except in pursuance of specific appropriations." is hereby amended to read as follows: "*Provided further*, That with respect to the \$500,000,000 provided by this Act which is not for payments under the aforesaid contract authorizations, no obligations shall be incurred for or on account of the objects specified under this head except in pursuance of said specific appropriation." (sec. 2, Public Law 179, 77th Cong.).

PROVISION IN THE BILL

Provided, That the third proviso under the head "Expediting Production" in the Military Appropriation Act, 1942, as amended by Act of July 16, 1941 (Public Law 179, 77th Congress), is repealed and shall not apply to any unexpended balances under this head nor to the funds herein appropriated.



Union Calendar No. 588

77TH CONGRESS
2^D SESSION

H. R. 6448

[Report No. 1659]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 1942

Mr. CANNON of Missouri, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the state of the Union and ordered to be printed

A BILL

Making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the national
5 defense for the fiscal years ending June 30, 1942, and
6 June 30, 1943, and for other purposes, namely:

1 TITLE I—WAR DEPARTMENT

2 MILITARY ACTIVITIES

3 SEC. 101. For additional amounts for the Military Es-
4 tablishment, fiscal year 1942, to remain available until June
5 30, 1943, to be supplemental to, and merged with, the appro-
6 priations under the same heads in the Military Appropriation
7 Act, 1942, including the objects and subject to the limita-
8 tions and conditions specified under those heads, respectively,
9 in such Act, as follows:

10 OFFICE OF THE SECRETARY OF WAR

11 Expediting production: For expediting production of
12 equipment and supplies for national defense, \$933,000,000:
13 *Provided*, That the third proviso under the head "Expediting
14 Production" in the Military Appropriation Act, 1942, as
15 amended by the Act of July 16, 1941 (Public Law 179,
16 Seventy-seventh Congress), is repealed and shall not apply
17 to any unexpended balances under this head nor to the funds
18 herein appropriated.

19 SIGNAL CORPS

20 Signal Service of the Army: For Signal Service of the
21 Army. \$680,242,180.

22 AIR CORPS

23 Air Corps, Army: For Air Corps, Army, \$9,041,-
24 373,090.

ORDNANCE DEPARTMENT

Ordnance Service and Supplies, Army: For Ordnance Service and Supplies, Army, \$1,547,948,529.

CHEMICAL WARFARE SERVICE

Chemical Warfare Service, Army: For Chemical Warfare Service, Army, \$323,308,675.

DEFENSE AID

SEC. 102. Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary of War to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense article procured from funds appropriated in this title, in accordance with the provisions of the Act of March 11, 1941 (Public Law 11): *Provided*, That the total value of articles disposed of under this authority shall not exceed \$4,000,000,000.

SEC. 103. This title may be cited as "Title IV, Military Appropriation Act, 1942".

TITLE II—GENERAL APPROPRIATIONS

INDEPENDENT AGENCIES

TENNESSEE VALLEY AUTHORITY

Tennessee Valley Authority Fund: For an additional amount for the Tennessee Valley Authority fund, fiscal year 1942, for (1) the construction of a hydroelectric project on

1 the French Broad River near Dandridge, Tennessee, (2)
2 the purchase or building of transmission facilities needed to
3 connect this project to the existing transmission system of the
4 Authority, and (3) the acquisition of land necessary for and
5 the relocation of highways in connection with the accom-
6 plishment of the above project; \$30,000,000, to be available
7 for the administrative objects of expenditure and subject to
8 the conditions specified under this heading in the Independ-
9 ent Offices Appropriation Act, 1942.

10 TITLE III—GENERAL PROVISIONS

11 SEC. 301. No part of any appropriation contained in
12 this Act shall be used to pay the salary or wages of any
13 person who advocates, or who is a member of an organization
14 that advocates, the overthrow of the Government of the
15 United States by force or violence: *Provided*, That for the
16 purposes hereof an affidavit shall be considered prima facie
17 evidence that the person making the affidavit does not ad-
18 vocate, and is not a member of an organization that advo-
19 cates, the overthrow of the Government of the United States
20 by force or violence: *Provided further*, That any person
21 who advocates, or who is a member of an organization that
22 advocates, the overthrow of the Government of the United
23 States by force or violence and accepts employment the salary
24 or wages for which are paid from any appropriation in this
25 Act shall be guilty of a felony and, upon conviction, shall be

1 fined not more than \$1,000 or imprisoned for not more than
2 one year, or both: *Provided further*, That the above penalty
3 clause shall be in addition to, and not in substitution for, any
4 other provisions of existing law.

5 SEC. 302. This Act may be cited as the "Fourth Sup-
6 plemental National Defense Appropriation Act, 1942".

77TH CONGRESS
2^D SESSION

H. R. 6448

[Report No. 1659]

A BILL

Making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes.

By Mr. CANNON of Missouri

JANUARY 23, 1942

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

House of Representatives

FRIDAY, JANUARY 23, 1942

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Spirit of God, descend upon us and teach us the patience of unanswered prayer, helping us to realize that Thou art always nigh. We pray that this day may be a fresh disclosure of Thyself, endowing us with strength to do Thy will, to serve men and fear only sin, thus giving us a foretaste of a truly great life. Relieve the pain of the sad memory of this world of death and suffering, remembering that the sun shines for us; the tides ebb and flow for us; the earth and sky are ours and Christ is God's Son, appointed by Him to make straight a highway through the desert of human woe, driving the gloom and the shadow from the shame of the present plottings of wicked men.

In this day of adversity, our Father, may we consider and ponder its meaning and learn its lesson. We would not rejoice in the pride of life, nor cry for pity to leaden skies which are deaf to our appeals. We praise Thee that Thou hast promised light at eventide and in the dawning of the morning the horizon will redden with new hope. May we draw near to Thee and Thy gracious promises will assume new meaning and power in all the vicissitudes of life. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 902. An act granting an increase of pension to Elizabeth Painter Mencher;

H. R. 3330. An act to authorize the sale, exchange, or other disposition of certain securities held by the Secretary of the Treasury;

H. R. 4849. An act to provide for regulating, inspecting, cleaning, and, when necessary, disinfecting railway cars, other vehicles, and other materials entering the United States from Mexico;

H. R. 5171. An act to amend section 392 of the Agricultural Adjustment Act of 1938, as amended, so as to provide for separate appropriation accounts for administrative expenses of the Agricultural Adjustment Administration, so as to modify the 1- and 2-percent limitations on administrative expenses and to provide over-all limitations in lieu thereof, and for other purposes;

H. R. 6220. An act to amend section 3 of the Subsistence Expense Act of 1926, as amended; and

H. R. 6304. An act authorizing appropriations for the United States Navy, additional shipbuilding and ship-repair facilities, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 5591. An act to amend the District of Columbia Revenue Act of 1939, and for other purposes;

H. R. 5802. An act to amend certain provisions of law relative to the withdrawal of brandy for fortification of wines and production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; and

H. R. 5833. An act to extend the time during which orders and marketing agreements under the Agricultural Adjustment Act, as amended, may be applicable to hops.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1526. An act to amend the act approved October 10, 1940 (54 Stat. 1105), to permit such responsible officers as may be designated by the heads of departments or establishments to authorize or approve the allowance and payment of expenses incident to transportation of the household goods of civilian officers and employees when transferred from one official station to another for permanent duty;

S. 1691. An act to authorize the Department of Agriculture to make open-market procurements where the aggregate amount involved does not exceed \$100;

S. 1817. An act to authorize the President to purchase certain lands in Arlington County, Va.;

S. 1935. An act to amend section 602 (m) of the National Service Life Insurance Act of 1940 (Public, No. 801, 76th Cong.), as amended, to enable a person in active service in the Army, Navy, Marine Corps, or Coast Guard to secure such insurance effective as of date of application by advance of active service pay, and for other purposes;

S. 1945. An act to authorize the Commissioners of the District of Columbia to acquire, operate, and regulate public off-street parking facilities, and for other purposes;

S. 2076. An act to authorize the Secretary of the Treasury to order to the United States on their statutory leaves of absence officers and employees serving abroad, and to govern the payment of traveling expenses and duties while on leave, and for other purposes;

S. 2151. An act to amend the act of May 12, 1917 (40 Stat. 74), to authorize, in time of war, commanding officers of theaters of operations to approve expenditures exceeding \$5,000 without regard to detailed estimates;

S. 2167. An act to authorize the Secretary of War to make available for the purpose of civilian defense instruction such arms, munitions, supplies, and equipment for instructional and demonstrational purposes only as can be spared by the War Department, and for other purposes;

S. 2180. An act to provide for the continuation of Government life insurance of aviation cadets subsequent to their being commissioned and for the continuation of such insurance of enlisted pilots, and for other purposes;

S. 2182. An act to provide for temporary promotion in the Army of the United States of officers commissioned in the Air Corps or assigned to duty with the Air Corps;

S. 2202. An act to reinstate Paul A. Larned, a major, United States Army, retired, to the active list of Regular Army; and

S. J. Res. 24. Joint resolution for the relief of W. K. Richardson.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following Departments and agencies:

1. Department of Agriculture.
2. Department of the Interior.
3. Department of the Navy.
4. Department of the Treasury.
5. Administrative office of the United States courts, United States Customs Court of New York City.
6. Federal Security Agency, Social Security Board.

REGISTRATION OF FOREIGN AGENTS AND COMMUNIST PARTY

Mr. DIES. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DIES. Mr. Speaker, I am advised that the House and Senate conferees took out of the registration bill the amendments which I offered and which were adopted by the House, amendments requiring the Communist Party to register and give the names of officers and members.

I ask unanimous consent to have printed in the RECORD an article appearing in the Daily Worker, the official organ of the Communist Party, entitled "Dies Amendment Killed at Capital." This article set forth the numerous people and organizations who joined in the defeat of those amendments.

I serve notice that when this conference report comes before the House I shall oppose its adoption and insist that those amendments be retained in the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

[The matter referred to appears in the Appendix.]

FEDERALIZATION OF UNEMPLOYMENT COMPENSATION

Mr. WILSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WILSON. Mr. Speaker, powerful forces are making an effort at this time to federalize all unemployment compensation. This would mean a tremendous loss to the workers and employers in those States having a nice surplus and a real merit system. I am unalterably opposed to this move, and I would like it very much if Members of Congress coming from States having a merit system and a nice reserve of their workers' and employers' money would make every effort at this time to build up strong opposition to such a bill or amendment.

The workers in Indiana have toiled long and hard for the funds making up their portion of the reserve, which I understand to be about \$60,000,000. This reserve is an incentive for steady employment by the employer. Are we going to let one stroke of the pen rob our workers of their savings? I hope, Mr. Speaker, all the Members from Indiana will vigorously oppose this measure in the interest of our thrifty Indiana workingmen.

Be on the lookout, fellow Members; this legislation is likely to be offered as an amendment to the bill to relieve the distressed auto workers.

EXTENSION OF REMARKS

Mr. NELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Kansas City Journal.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks on two subjects and in one to include a radio address by a Legionnaire, Mr. John Towle.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matters referred to appear in the Appendix.]

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain excerpts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

THE SOLDIERS WHO DIED IN THE LOMBARD CRASH

Mr. FOLGER. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute, and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. FOLGER addressed the House. His remarks appear in the Appendix of today's RECORD.]

FOURTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL, 1942

Mr. CANNON of Missouri, from the Committee on Appropriations, submitted a privileged report on the bill (H. R. 6448) making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes (Rept. No. 1659), which was referred to the House Calendar and ordered printed.

Mr. TABER reserved all points of order on the bill.

Mr. CANNON of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6448) making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes; and pending that, Mr. Speaker, I would like to reach some sort of agreement as to general debate. I wonder if it will be agreeable to the gentleman from New York to let general debate proceed under an equal division of time, debate to be confined to the bill, and that at the conclusion of the debate we begin to read the bill.

Mr. TABER. I believe that will be satisfactory, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6448, the fourth supplemental national defense appropriation bill, 1942, with Mr. CLARK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON of Missouri. Mr. Chairman, this bill marks a milestone in appropriations for the national defense. It is the first appropriation bill for military purposes presented since the declaration of war. It carries the largest single appropriation ever presented to Congress for the procurement of military equipment in the history of the Nation. It involves the greatest dislocation of industry, the greatest program of readjustment and conversion of industries in the economic development of the country. Last, but not least, it has been handled with the greatest expedition and dispatch of any major appropriation bill within the memory of any now on the floor of the House.

The estimate came down on Monday. We completed hearings on Tuesday, and today, at the first opportunity which the

routine of handling a bill and its report permits, we are given the right-of-way, according to precedence over an important conference report—the conference report on the price-control bill. The conduct of the bill by the committee and the House leadership serve to illustrate the unity in the Congress and among the American people in support of the administration and the defense program. Never before was such an amount provided for such purposes in so short a time as we are providing in the consideration of the bill before us today.

But the unusual character of the bill does not end there. Not only does this bill appropriate the largest single amount ever provided for the equipment of our military forces, but it is for one single branch of the service. It is for airplanes alone. A short time ago we considered the airplane a minor part of our military set-up, yet here today, in the first step taken to arm the Nation since war was declared, first emphasis is being placed upon the production of this one arm of our service—airplanes—for we realize now that the issue in the war depends upon achieving and holding control of the air in every theater of war. Until we have secured control of the air over the entire battle front, over the North Sea, the Mediterranean, and the Pacific, we cannot begin the first approach in the program of winning the war. Courage, patriotism, and morale are great forces, but they cannot win a war in and of themselves. They must be implemented. You will remember that Napoleon said in effect, "Right is on the side of the heaviest batteries." But time and experience have paraphrased the old adage. We realize today that success, at least, if not right, is on the side of the fastest and best-equipped airplanes, and we propose in this bill to make practical application of that basic principle of warfare through an unparalleled conversion of every adaptable American industry to the production of airplanes and airplanes and more airplanes until we darken the air above the predatory plunderers who are bombing, burning, ravaging, and massacring in every section of the globe to which they can gain access.

Mr. DONDERO. Will the gentleman yield?

Mr. CANNON of Missouri. In just a minute if the gentleman will permit.

Mr. Chairman, we have the resources in America to do it. We have here the largest supply of raw materials, we have the largest number of trained workmen and the most efficient mass-production factories in the world. We produce in America more steel than is produced in all Europe. With the extension of the facilities for which provision is made in the second title of this bill we expect to produce also the largest and greatest supply of the second most important metal, aluminum, produced anywhere in the world.

But all these resources, all raw materials, all our facilities, must be mobilized. And the purpose of this appropriation is to finance that mobilization.

The automobile industry, the refrigerator industry, the electrical appliances industries of America are titanic activi-

ties which employ workmen by the million, which daily consume mountains of steel, aluminum, copper, coal, and petroleum with an insatiable appetite, turning out a vast and unending stream of products which congest the arteries of commerce and tax the transportation systems of the remotest hinterland and serve not only our own people but the civilized nations of the world.

But another week and these industries are dead, their fires drawn, their machinery silent, their millions unemployed. In their stead is to rise a new industry—the industry of arms.

Beginning on the 1st day of February we must be prepared to take over, recondition, retool, convert, readjust, and start these men, materials, and facilities in the production of war material, especially airplanes. That is what we propose to accomplish by this bill. That is the use to which we propose to put this more than twelve and a half billion dollars requested in this appropriation.

You may be surprised—I know I was surprised—to learn of the specific application of those funds. When word first came of the estimate for this enormous amount for airplanes. I took for granted, as some of you may have taken for granted, that it was in furtherance of the program announced by the President of the United States in his message to the Congress in which he set as our objective 60,000 airplanes in 1942 and 125,000 airplanes in 1943. But this appropriation will not achieve that objective. This appropriation provides a maximum of only 33,000 planes. If you have read the report of the committee, you have found that the purpose of this appropriation is not to carry out the full program; it is not to produce what we ultimately expect to produce by the close of 1942 and 1943. The purpose of this appropriation is to continue the present rate of production; in other words, we shall reach the peak of production under existing appropriations by August, and unless this money is appropriated to continue production from August on, there will be a steady decline in the number of planes turned out. Instead of rising to new levels we will be falling further and further short of our program.

Under our present system or any practical system, there must be continuous production. We cannot have men in the factory one day and out on leave the next. We cannot run our factories one week and close them down the next week. In order to secure maximum results in both efficiency and excellence of product we must keep our men engaged, must keep our factories in operation, must keep our assembly lines moving. Therefore, we are providing here, \$12,500,000,000, to supplement the present program so that after August we shall be providing planes at as rapid a rate and with as great facility as we are providing them up until August. Further, this money will put orders in airplane facilities that are being created with money heretofore appropriated when they are ready, and will also create some new facilities for airplane production. These are the first steps toward the President's objective.

But the one thing in which the House and the American people are at this time most interested is how effectively and efficiently this money is to be expended. There is a widespread feeling that our program has mired down, that we are not producing as rapidly as we should produce, considering the funds provided and the facilities available, and particularly that the airplanes produced are of substandard quality, that they do not measure up in performance with planes produced by either our allies or our enemies.

I am certain it will be a matter of deep gratification to everybody to note from the evidence given in the hearings which are before you and in the report of the committee, all of which I am glad to corroborate here on the floor, that we are producing at an ever-expanding rate of output, with ever-increasing speed and dispatch, the finest planes produced anywhere in the world.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I will consume 10 additional minutes.

Every type of plane we are producing today is the equal or the superior to those turned out in any factory of Europe by either Axis or Allies. This is demonstrated not merely by testimony adduced before the committee upon the authority or the dictum of any representative of the management of the industries but is demonstrated by the conclusive and authoritative test of those planes in actual service upon both the European and the Asiatic fronts.

According to the reports before the committee, in the action in Hawaii on the morning of December 7 over Pearl Harbor, in the engagements on the Russian front, on the North African front, and in the last few weeks in the Pacific area, our planes in actual combat have shown superior power, superior speed, superior maneuverability, and superior ability on the part of both the plane and the pilot to get their man. In the hardest fighting theaters of the war we have destroyed a vastly larger number of the enemy's planes than they have been able to bring down from our own squadrons. That is the final test, that is the only dependable test, and it is the test of planes which will win the war.

We do not deprecate criticism; we invite criticism. If there is ever a time in our production program when criticism is timely and pertinent it is now. Now is the time to discover any weak rivets in our armor, rather than in a post mortem after it is all over with and too late to remedy. So we invite criticism. And we agree that some of it may be justified. No doubt there has been some lost motion, some waste, some excessive profits. No doubt there has been here and there some personal lack of efficiency. But that is inevitable. It would be a miracle, it would be superhuman, it would be expecting the impossible, to expect that we would have 100 percent effectiveness by either management, workmen, or facilities of production, especially in times like these.

Economy and war do not go together; they do not harmonize. They are as far apart as the poles. War is not an eco-

nomical proposition and it cannot be waged on an economical basis with success. We must expect here and there in this huge program, in this expenditure of unheard-of sums of money, in the procurement of unexampled quantities of materials, in the production of the hitherto undreamed-of amounts of equipment, that there will be some things which, when checked with a lead pencil after it is all over with, do not indicate 100 percent of perfection, but the objective of this program is not economy, not merely to produce a cheap airplane.

Our objective is not to produce as parsimoniously as we can, although we expect to produce with as little waste as possible. Our purpose and the purpose of this bill is to get that plane up on the front in time.

Over in the Philippines today MacArthur and his gallant force of Americans and Filipinos are fighting with their backs to the wall, upholding the Stars and Stripes in Luzon today against forces that outnumber them both in men and materials 10 to 1. They are not so much interested in what an airplane costs as they are in getting it there in time. They are not so much concerned as to whether there was a little too much profit in the manufacture of the gun on that plane as they are in having a gun that will operate and the munitions with which to operate it, and it is better to get an airplane there at the critical time that may cost \$1,000 too much than to get an airplane over too late on which we saved \$10,000. So, while we endeavor to see that there is as little waste as possible and as little lost motion as possible, the thing we are aiming at is to get the planes there in time to support our men, to back them up, to put in their hands tools with which to fight against overwhelming odds—weapons and munitions with which to win the war. And I have no doubt the House and the American people will approve that program.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my friend from Wisconsin.

Mr. KEEFE. I note that the bill contains a total of twelve-billion-five-hundred-and-fifty-five-million - and - some - odd dollars. This sum is contemplated in the present and in the 1943 estimates, is it not, and is it not in addition to the expenditures contemplated in the existing and the 1942 and the 1943 Budgets as submitted by the President?

Mr. CANNON of Missouri. The gentleman is right. It was included in the Budget and was in contemplation at the time the Budget was issued—

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. DONDERO. I do not ask the distinguished gentleman to divulge anything that may have been adduced before his committee, but may I inquire whether or not the testimony that was given before the gentleman's committee had some influence on your committee to allow 75 percent of this \$12,000,000,000 to go for airplanes based upon the events of this World War and recently upon air power

in the Pacific? Were those two facts before your committee in coming to the conclusion that 75 percent of this bill should go to airplanes?

Mr. CANNON of Missouri. The gentleman is correct in his conclusion that all testimony given before the committee could not be published. But it is impossible to emphasize too strongly the importance of air power. If we had had sufficient airplanes, the Japanese could never have landed in the Philippines. We would have sunk their transports before they reached the shore.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield.

Mr. WOODRUM of Virginia. I do not believe the Chairman caught the suggestion in the question of the gentleman that 75 percent is for airplanes. All of these funds are for airplanes.

Mr. CANNON of Missouri. No; \$30,000,000 is for the T. V. A. I will discuss that presently. If we had had sufficient airplanes, the enemy could never have landed in the Philippine Islands. If we had been supplied with sufficient airplanes, the enemy could never have sunk the two British capital ships which were lost. If we now had sufficient airplanes, Singapore would not be today fighting at close quarters. If we had had sufficient airplanes, the problem of defending Australia and the Indies would be a simple one and would by this time have been disposed of.

Specifically, these are five items in this bill for the War Department, and while these items are apparently for different purposes, one for increasing facilities, one for planes, one for the signal service, one for ordnance and another for chemical warfare, all of them are integrated for the turning out of planes equipped and ready for combat service. The money for ordnance produces the gun and the armament and ammunition for the planes. The money for the signal service produces the radio and the telephone equipment for the planes. The money for chemical warfare produces ammunition and other essentials to make these planes effective. In other words, every dollar that is provided in the first section of the bill is to put upon the battle front a complete airplane armed, armored, ammunitioned, and equipped for instant service.

Now, there is another item which the gentleman may have had in mind.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I must take 5 additional minutes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. With pleasure.

Mr. DONDERO. I just want to observe that I think it will be very gratifying and encouraging and heartening to our armed forces and to the House and the people of the country to know that the importance of air power is stressed in this bill.

Mr. CANNON of Missouri. I am certain the gentleman expresses accurately the sentiment of the country.

There is another item in this bill which has not yet been discussed. Thirty million dollars is carried in this bill for use by the T. V. A. in the construction of the Douglas Dam.

The one most essential item in the materials required for the construction of an airplane is aluminum. It requires 20,000 pounds of aluminum to build one bomber. That is the equivalent of 60,000 kitchen utensils of aluminum. The total consumption of aluminum in a program of this magnitude is enormous. Now, aluminum can be produced only through the expenditure of electric power. You cannot produce a pound of aluminum without heavy electric current, and our electric power, while sufficient for 1942, is not sufficient for 1943. According to the testimony before the committee, it will require the Douglas Dam and all other dams under construction to produce enough aluminum in 1943, the year this dam goes into operation, to supply this one indispensable essential in the manufacture of planes—the planes which must win hard-fought dog fights on every front in our world-flung battle lines. I shall include in my remarks at this point some excerpts from the testimony of the Federal Power Commission before the subcommittee on the independent offices appropriation bill on January 9, 1942, relative to the national power supply in 1942 and 1943 and the importance of the Douglas Dam to our power supply:

As a result of our actual entry into the war and the recent message (January 6, 1942) of the President to Congress setting a figure of \$56,000,000,000 to be expended in the fiscal year 1943, the whole defense program will be considerably stepped up to such an extent that critical shortages in power supply will occur in various sections of the country both this year and next, in spite of the large additions to generating capacity that are being made. The scheduled additions to the major systems' plants, for installation and operation in 1942, amount to 3,256,000 kilowatts, of which 2,268,500 kilowatts are in fuel plants and 987,500 kilowatts in hydroelectric plants. During 1943 these scheduled additions to the major electric utility systems amount to 2,952,000 kilowatts, of which 2,128,000 kilowatts are to be installed in plants using fuel and 824,000 kilowatts in water-power projects.

The problem of meeting 1942 and 1943 loads therefore becomes one of:

1. Expediting the installation and operation of all new generating equipment planned for operation during these years.

2. Expediting the installation and operation of such transmission interconnections as are required and as can be brought into service during these years.

3. The rehabilitation, reconditioning, and overhauling of all electrical and mechanical equipment, in preparation for the still heavier loads to be experienced and the necessity of operating this equipment continuously.

4. Filling of all storage reservoirs insofar as rainfall and stream flows permit, and keeping them at as high a level as possible against the contingency of possible dry seasons, and for the greater loads to be experienced during the late summer and fall.

5. The pooling of all power resources in an area and between areas to secure maximum use of all existing facilities and to see that no generating capacity that can be utilized is allowed to remain idle.

6. The construction of such additional emergency interconnections as needed in any

area and between areas as can be completed in time to be of service.

7. The adjusting of loads and switching the hours of operation in order to reduce peaks and to reduce the loads to such a point that existing generating capacity and that to be installed can successfully carry these loads.

8. After all of the above steps have been taken, and if curtailment becomes necessary, power should then be rationed to insure that all power needed for the war materials manufacture and military and naval establishments is assured, together with a power supply to all other essential uses, such as hospitals, fire and communication systems, airports and airway beacons, municipal plants and water supply systems, sewage disposal and sewage pumping plants, railroads and terminals, bridges, etc., and that unnecessary or nonessential uses be sufficiently curtailed so that war production will not be interfered with.

The present industrial loads vary from 10 to 15 percent in some areas which are not highly industrialized to as much as 60 percent in the Tennessee Valley region and to 95 percent in the Niagara Falls region, where the residential, domestic, and commercial loads only amount to about 5 percent of the total. While the entire industrial load is not all direct defense load there are, however, many industries in these areas operating on indirect defense orders, supplying parts to firms which have direct orders from the War and Navy Departments and other Government establishments, and there are many essential uses which cannot be curtailed without disrupting the welfare of the people. The amount of curtailment possible therefore varies from one community to another and must be worked out separately in each area.

Mr. STARNES. Is there sufficient power on hand or projected to meet this defense program of ours for 1943 and 1944?

Mr. OLDS. There is not sufficient to meet the defense load of either 1942, 1943, or 1944 without either additional capacity or a material curtailment in certain areas of the country.

Mr. WOODRUM. How short are you?

Mr. OLDS. What is the total shortage, Mr. Tate?

Mr. TATE. It will probably run in the neighborhood of a couple of million kilowatts this year and probably three or four million next year, on the basis of the President's message to Congress on January 6, whereby the whole program is being stepped up.

Mr. STARNES. How much of the 38,000,000 continuous power would you say is being used in purely defense production?

Mr. TATE. It varies from one area to another. In the Tennessee Valley area it is probably in the neighborhood of 60 percent; in the other Southeastern States it is in the neighborhood of 35 percent; in New England, about 25 percent; in some areas in the interior of the country about 15 percent or less; on the Pacific coast it will probably run in the neighborhood of 25 or 30 percent now; and in southern California as high as 50 percent.

Mr. STARNES. Mr. Olds, did you make a survey of the power situation with reference to places where single blocks of power or large blocks of power could be made most quickly available to meet this defense program during recent months?

Mr. OLDS. Yes; we have a continuous survey on that basis which deals with each of the 48 areas of the country. We issue a report every month as to the availability of additional power not only this year but projecting the situation 2 years ahead so that we either know there is likely to be a shortage in that area in the next 2 years or we can say to the Navy, the Army, or Office of Production Management, "You can put in additional production of munitions in these

areas, because there is available a surplus of power."

Mr. STARNES. Is it not a fact the Tennessee Valley Authority has more and probably larger facilities for producing aluminum for defense purposes than found elsewhere in the country?

Mr. OLDS. You are talking about two aluminum companies?

Mr. STARNES. The Aluminum Co. of America and the Reynolds Aluminum Co.

Mr. OLDS. I think that is true. They are doing a good deal of expansion in other sections of the country, but I think the greatest concentration of aluminum production at present is in the Tennessee Valley and the southeastern area.

Mr. STARNES. You were asked by the Office of Production Management—and, of course, that meant the President—to make a study and recommendation as to where power could be produced most quickly in that area during the past year?

Mr. OLDS. We were asked to make a recommendation as to the best locations for the expansion of aluminum production; yes, sir.

Mr. STARNES. On the basis of that, did you recommend the Douglas project as the most desirable project throughout the country to produce power for the purpose of producing aluminum?

Mr. OLDS. I would not say the best throughout the country, but we indicated that was the best location for the development of additional power in the southeastern area. That is, we have to view each region and area by itself, because there is no interconnection of sufficient capacity between regions so that you can use power interchangeably in terms of the defense program to provide an adequate power supply in the Southeast. We recommended Douglas Dam as one which could be most expeditiously developed to provide the greatest power directly and indirectly for defense.

Mr. STARNES. In the shortest space of time?

Mr. OLDS. In the shortest space of time.

Mr. STARNES. You took into consideration not only the production of power by hydroelectric plants but also by steam?

Mr. OLDS. That is correct.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman says that we have sufficient power for 1942, but where in the hearings does it show that we are going to get these dams for power for 1943? The hearings do not disclose that.

Mr. STARNES of Alabama. Mr. Chairman, will the gentleman from Missouri permit me to answer that?

Mr. CANNON of Missouri. I yield to the gentleman from Alabama.

Mr. STARNES of Alabama. There is voluminous evidence in previous hearings before the Appropriations Committee—October, November, December of 1941, which cover that point very thoroughly. The request was made by the Office of Production Management, by the Federal Power Commission, by the Army itself, and by every known agency of government concerned with the construction of war matériel.

Mr. CANNON of Missouri. In conclusion, this is but the first step. The further we go the higher the expense and the greater the sacrifice. There has been some reference here to the excessive cost and the weight of the national burden, but when we compare our situation with that of England, where by day

and by night, cities are strafed incessantly by bomb and shrapnel, where men, women, and children live in constant peril and terror—when we consider the wholesale migration of the Chinese people from the coastal provinces to the interior; the most productive and most highly industrialized areas of China overrun and plundered in carnage and a saturnalia of destruction; when we see the Russian people driven back hundreds of miles before the ruthless and devastating march of the invader, we cannot fail to appreciate how fortunate we are—how little is asked of us. In comparison with what the British have endured, with what the Russians have experienced, with what the Chinese have suffered, the sacrifice asked of the American people is small indeed.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. CANNON of Missouri. Mr. Chairman, I will take 1 minute more. We are mobilizing both labor and industry with remarkable results and with the wholehearted cooperation of both. Labor is cooperating in the program and already we are introducing wherever practical the 24-hour day and the 7-day week. It is a distinct contribution toward the winning of the war.

We have men in uniform, we have men in overalls and both are badges of distinction. And on the farms we have not only the few men left to till the fields, but we have women in overalls on tractors and harvesters. All the heroes are not on the front line. There are as great heroes driving machinery in the factories and in the fields as we have in airplanes and tanks. We have them here in the home, on the office staffs, and in the committee rooms working far into the night, rendering as important and as indispensable service as any man in shoulder straps and gold braid. And among them I cite the invaluable and patriotic service of two in particular—Marc Shields and John Pught, without whom we could not have as effectively presented the intricate and technical reports and summaries on this and every other military and naval bill of the last decade.

We face a long and costly war. It will have many headaches and many heartbreaks. We will have to pay for victory—for security—what at times will seem to be terrible prices but whatever the price it is cheap in comparison with the alternative, and in the language of the President of the United States, "We are determined to pay whatever price we must, to preserve our way of life."

Mr. TABER. Mr. Chairman, I yield myself 5 minutes. The critical situation that our forces in the Far East are facing is argument enough for the appropriation of a sum sufficient to implement our war activities to any needed extent. The \$12,000,000,000 provided here for the Air Corps and for the Chemical Warfare Service, all of it incidental to war in the air, is the least that this Congress can do. That part of the bill, title I, will have my support. Title II contains an additional item of \$30,000,000 for the T. V. A., de-

signed to make that octopus a little more of a menace to the American taxpayer and the American public. They have gone ahead in that territory without proper planning and proper engineering and have loaded the outfit up with tremendous power dams without taking into consideration the ebb and flood tides of water power. They have figured their charges and costs on the basis of the flood-tide production. As a result, power is being sold for about 50 percent of what it costs to produce it.

It is a menace to the tax structure of America, and the people in your districts and mine are paying for this noble experiment and yardstick for power. There is \$30,000,000 contained in this bill for the building of the Douglas Dam. Let me say to you there is absolutely nothing in the hearings to justify it. I will read one or two questions and answers on page 46 of the hearings, which are available now, to show what General Knudsen said when he was asked with reference to it:

Mr. TABER. Now, as to what the situation is with reference to 1943, you do not have much idea?

General KNUDSEN. We are plotting that now. In fact, I found about 60,000 kilowatts, but I need some more.

Mr. TABER. There is a tremendous lot of power that can be salvaged by cutting out a lot of this advertising, and that sort of thing?

General KNUDSEN. Yes, sir. We have already done that in one section. We had to do it in Atlanta last fall.

Mr. TABER. And you are doing it in other sections?

General KNUDSEN. We will do it as required; yes.

They are plotting it out, and they do not know what the situation is yet, and we are asked to provide \$30,000,000 for something that they do not know whether they need or not. I am not in favor of doing business that way.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania, chairman of the Subcommittee on War Department Appropriations [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, my philosophy has always been that might only rules until right is ready. In a democracy it takes right sometimes a very long time to get ready, and especially in a case like that which confronts the nations now, to get ready for the biggest task that this Nation has ever been confronted with.

We are going to win this war. I mean the democracies are going to win this war in one of two ways. We are going to win it in the latter way that I am about to mention. We can win it by getting large groups of men with not adequate equipment and rush them to the battle front and thereby sacrifice many men in winning the war; or we can do it as we are doing—be deliberate, be thoughtful, prepare carefully, get adequate mechanized and armored equipment for the men to handle, and let this equipment, whether it be planes, tanks, or guns or what not do most of the killing of the "Jerries" and the Japs, instead of exposed

manpower. It takes time to bring about this latter adjustment.

I did not like to hear on the radio last night the announcement that some columnist made that 600,000 of our armored forces, with equipment, were moved to the western tide of battle. It left the inference which we saw in the papers this morning, as though the eastern seaboard, the Panama district, was being slighted. I wish to make this statement, that if there are 600,000 armored units moved west, there are that many on the eastern front, the Puerto Rican and Panama side also, with equal and adequate armored equipment.

One further statement: As the chairman of the Appropriations Committee, our beloved colleague, the gentleman from Missouri [Mr. CANNON] has said, it is going to be a long war. How long you do not know and I do not know, but why some of our columnists or newspapers will insist on the contention that our airplanes are not equal to the airplanes fighting on the British front, I do not know. You will just have to take my own word for what I am about to say. I was on the fields in England, where planes like the Spitfires, the P-40-A, P-40-B, P-40-C were in action. I did not get it second hand. I got it from the English pilots as well as our own American Eagle Squadron pilots, that our bombers are superior to any bombers—and there are a lot of them over there on that side of the water. There is no fighting plane that is fighting over the battlefields of Europe and Asia today that is superior to our P-40-A, B, and C, and many of the boys will tell you there is none equal to it.

One of our American Eagle Squadron pilots who had made 40 trips fighting over the channel and was credited in the English records with bringing down 6 "Jerries," told me he would rather have a P-40 to cover the channel and fight the "Jerries" than any other plane made.

I could go on and enumerate other instances of our plane strength, but that is sufficient to bring before you evidence from the boys who are out there doing the fighting, as compared with someone here who has a hearsay source of information.

In September 1939 the President of the United States declared a national emergency existed and called for appropriations to build certain additional national defense installations and equipment. Since that date, from time to time, Congress has made appropriations stepping up in number the production of installations and implements for national defense. As an example, the all-over set-up for airplane production prior to December 7, 1941, was 50,000. The Pearl Harbor incident necessitated the President calling for another step-up in the production of installations and equipment, raising, for example, the plane production for 1942 from 50,000 to 60,000 and from 60,000 to 100,000 in 1943.

In other words, this is the first increment since the President's address on the state of the Union on January 5, 1942, toward accomplishing the program outlined therein. How many more step-ups in appropriations will be necessary no one knows at this time.

The Axis Powers, with Hitler as the spearhead leader and Mussolini and Japan as left and right bowers, started out to destroy our way of life. Through underhanded and evasive procedures they took the initiative and struck the first blows against the democracies of the world.

To me it was evident from the beginning that Hitler would push the program so plainly outlined in *Mein Kampf* to a successful conclusion, if he could, which was the conquering of the entire world.

We now know that Japan has a program that was outlined at the same time, or shortly after *Mein Kampf* was outlined. For instance, we know that in Japan's program they gave themselves 4 months after Pearl Harbor to take Singapore, and so forth.

The Record and the Army appropriations hearings will show that I was deeply concerned about our national defense program for the last 5 years. I have been convinced right along that the cheapest insurance that the Nation could have was tens of thousands of airplanes, and thousands and thousands of tanks, and anti-aircraft by the millions, and similar equipment. However, with a peace-loving people like we are, it always has been and always will be a difficult task for us to realize dangers until they overtake us.

In the last 5 years I have visited practically all of our Army posts and air bases, air installations, airplane factories, and engine factories, except the new ones set up in the last 6 or 8 months. The more I observed the more I was convinced that we did not have adequate equipment and facilities for the emergency if Hitler should break through, so on July 11, 1940, I set forth in the CONGRESSIONAL RECORD what I thought should be a program of production to meet the worst crises we could conceive. I say the worst, because we must this day prepare for the very worst war that our imagination can conceive. "Prepare for the worst and hope the worst will never come" is the slogan of the great warriors of the past.

What I set forth in the CONGRESSIONAL RECORD on July 11, 1940, was—I quote:

If we are to think in terms of protecting our country and the Western Hemisphere against foreign foes during the years to come, it goes without saying that the Government and industry must, and I feel sure will, speed up production at a rapid rate such as was never attempted or accomplished in this country. I hope I am wrong, but I am compelled to take into account recent acts and achievements of foreign powers who could and might be knocking on our back door, demanding admission to disturb our freedom and liberty-loving institutions as well as our very lives. I say I hope I am wrong, but taking these factors into consideration we must be prepared and keep prepared until such time that the war lords and conquerors across the water show us by their actions over a space of years that they no longer desire to disturb us. It will take at least five decades for them to show us this. Therefore we must prepare in a big way. I recommend that we equip the Nation with at least the following:

A. That we manufacture and have on hand by July 1, 1943, 100,000 airplanes of different types and kinds.

B. By July 1, 1943, we should have manufacturing facilities and plants in perfect maintenance and upkeep in order to be able to manufacture 500 airplanes a day if an emergency would arise.

C. We should have manufactured by July 1, 1943, 4,000,000 rifles, and facilities to manufacture 2,000 of them a day.

D. We should have by July 1, 1943, 4,000,000 machine guns of different types and kind, with facilities to manufacture 2,000 a day.

E. We should have on hand by July 1, 1943, 75,000 tanks and armored cars of different types and description, with manufacturing facilities to produce 100 a day if necessary in an emergency.

F. We should have on hand by July 1, 1943, 2,000,000 anti-aircraft guns of the finest and best type, with facilities to manufacture 1,000 a day.

G. We should have on hand by July 1, 1943, 100,000 antitank guns, with a certain percent of them capable of piercing 3-inch armor plate, with facilities to manufacture 500 a day.

H. We should have on hand by July 1, 1943, clothing, tentage, shoes, and full field-service equipment for 4,000,000 men.

I. We should have by July 1, 1943, manufacturing facilities scattered throughout the Nation to manufacture sufficient replacements for all these commodities at a speed necessary to assure equipment on hand in case of an emergency invasion of our shores or institutions.

J. By July 1, 1943, we should have completed at least three transcontinental super-highways, as outlined in my bill, H. R. 8503; that is, an eight-lane highway, following the general route of the Old National Pike, or Route 40, across the Nation, built as straight as possible, and with a grade of not more than 4 percent at any one place. The same type of highway should be built up and down each coast, some 30 to 60 miles from each coast. Of course, the other six highways embodied in my bill should be and will be built in time; but these three should be built without fail, to be used for the transportation of the commodities of commerce as well as a military road in case of necessity. Experts think this would be the cheapest national defense installation, looking to the conservation of our whole Nation, that we could build. These three highways would cost about \$4,000,000,000 to build them eight lanes, or 100 feet wide, with proper facilities along the highways.

K. We should have by July 1, 1943, about 2,000 air bases or air fields developed. In the interim the United States Army engineers should select throughout the Nation about 15,000 landing fields; that is, fields that, if an emergency day came, could be put into condition for landing planes within 48 or 120 or 168 hours. These should be circled within a radius of so many miles outside of each city that is considered a large industrial and manufacturing center.

L. By July 1, 1943, we should have several scores of underground hangars along our main highways, as well as underground storage facilities for our munitions. The hangars in time of battle are very essential, as discovered in the war now going on across the sea.

M. And, finally, we should have by July 1, 1943, sufficient munitions of all kinds in storage to use these guns and weapons for months, if necessary, without running out of munitions. The two things that hampered the French the most were traitors within her own ranks and, second, a shortage of munitions.

I have no doubt that some who read this will think that my estimates are exaggerated; that the program is too ambitious. Some will think it is not necessary to make such provisions. Others will think it is too expensive, and so forth.

But, Mr. Speaker, it seems to me that all of us are convinced that our way of life is worth preserving. We are convinced that our schools, our churches, and our homes are worth preserving.

We are convinced that this blessed endowment that we received from our fore-

fathers called freedom of speech, freedom of press, and religious freedom, is worth fighting for. Yes; we are convinced that if we wish our children and our children's children to enjoy these blessings, we will have to build up a national defense that will insure their preservation. The partial recommendations that I enumerated above, I think we will find absolutely essential within the next score of years to defend our precious institutions. Yes, Mr. Speaker; we will have to eat fewer ice-cream cones, chew less chewing gum, burn less gasoline, deprive ourselves of a lot more things we classify as semiessential or pleasure and recreational adjustments, to provide this equipment. But it is better to have no equipment at all than to be one-fourth, one-half prepared.

We learned the lesson over and over again in the last year. We saw nation after nation in Europe that was one-fourth or one-half or one-tenth prepared, being ruthlessly run over, and, my fellow citizens, whenever a barbarous ruler directs his forces to run over a peaceful, God-fearing people like the people of Holland, Belgium, or similar nations, then it is time for us to prepare in a big way to see to it that no force will be able to run over us or to fly over us and destroy us.

The trouble is, my friends, that we here in America do not realize the horrors and hardships that result when a dictator takes over a country such as Poland, Czechoslovakia, etc. We do not seem to realize that they kill off the educated and intelligent people. We do not seem to be aroused over the fact that they close all of the schools except the very elementary schools. We do not seem to understand that all the precious things that are near and dear to us would be wiped out under a dictatorship such as now reigns over Poland, Czechoslovakia, Denmark, etc. We do not seem to realize that our Negro slavery was heaven compared with the slavery that these conquered people have to endure.

Yes, my friends, I believe if you were in possession of the facts and background that I have as chairman of the Appropriations Subcommittee for National Defense, you would agree with me that my suggestions or recommendations, if you please, enumerated above are moderate compared with the value of our liberties and our free country.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 10 minutes.

Mr. WIGGLESWORTH. Mr. Chairman, I shall support the main provisions of this bill. Under the conditions confronting the Nation at this time, no other course is possible.

The bill, as has been pointed out, carries a tremendous total. It is the largest bill ever presented to the Congress, \$12,525,875,472.

Hearings were conducted before the members of the subcommittee on deficiencies and the members of the subcommittee on War Department appropriations, acting jointly.

Much of the hearings of necessity had to be entirely off the record, being highly confidential. That portion of the testimony which could be made public is before you in the printed hearings.

At the conclusion of those hearings the members of both subcommittees voted unanimously in favor of the principal provisions of this bill.

Meager as the printed hearings before you are, they are sufficient to establish by expert testimony certain vital facts. First, they establish the fact that the appropriations requested are absolutely

essential if we are to carry out the great program of Army airplane expansion which is called for in this bill. Second, they establish the fact that manufacturing facilities are available to execute the program. Third, they establish the fact that the program before us can be executed in short order, that all the planes and other materials called for with a few exceptions can be converted into finished products before the end of the calendar year 1943. Fourth, they make clear that the expenditure required falls within the general program heretofore laid down involving 50 percent of the national income.

The appropriation is divided as follows:

OFFICE OF THE SECRETARY OF WAR	
Expediting production: For expediting production of equipment and supplies for national defense-----	\$933,000,000
SIGNAL CORPS	
Signal Service of the Army: For Signal Service of the Army-----	\$680,242,180
AIR CORPS	
Air Corps, Army: For Air Corps, Army-----	\$9,041,373,090
ORDNANCE DEPARTMENT	
Ordnance Service and Supplies, Army: For Ordnance Service and Supplies, Army-----	\$1,547,948,529
Chemical Warfare Service, Army: For Chemical Warfare Service, Army-----	323,308,675
Total-----	12,525,872,474

The total is subject to the following provision:

Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary of War to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense article procured from funds appropriated herein for the Military Establishment, in accordance with the provisions of the act of March 11, 1941 (Public Law 11): *Provided*, That the total value of articles disposed of under this authority shall not exceed \$4,000,000,000.

The major item of \$9,041,373,090 is wholly for military planes. It will produce 23,000 combat planes and 10,500 training planes, or a total of about 33,500 planes over all, and is a major step in the direction of realizing the objective laid down by the President of 60,000 planes to be manufactured in the calendar year 1942, 45,000 of them to be combat planes; and 125,000 planes to be manufactured in 1943, 100,000 of these to be combat planes. The funds required are essential to maintain at full capacity the facilities which are already available, plus those which will come into the picture in the near future.

The item of \$933,000,000 for expediting production is for the expansion or construction of facilities essential to the airplane program referred to. The record indicates that the facilities program can be completed within the period of about 1 year.

The other items for the Signal Corps, Ordnance, and Chemical Warfare Service are all part and parcel of this great airplane program which forms the basis of the request for this appropriation.

As to all these items, I am in accord. I shall support them on final passage.

Now, Mr. Chairman, I want to say a word in reference to the inclusion in this bill under title II of the so-called Douglas Dam, involving an expenditure of \$30,000,000 and a complete reversal of the position of your Subcommittee on Deficiencies.

This matter was first considered in October and November in connection with the second and third supplemental national-defense appropriation bills.

At that time a very strong protest was made to your committee against the construction of the dam. The protest was made personally by a delegation of gentlemen coming from Tennessee. The protest was said to reflect the views at that time of the Governor of Tennessee, of the president of the University of Tennessee, of local farm bureau presidents, and of other leading citizens in that part of the State.

The basis of the protest was that unless it could be established that this particular dam was essential for national-defense purposes, it was entirely unwarranted to exact the sacrifices entailed in the construction of this dam from the people of this part of the State.

The sacrifices involved include among others the flooding of 32,000 acres of very fertile land, the throwing out of house and home of some 3,000 residents, the destruction of work opportunities for about 4,000 people, and the destruction of an annual crop production amounting to approximately \$1,200,000.

It was pointed out in this connection that in submitting a report to the President outlining a complete power program up to and including the year 1946, as late as July 16, 1941, Chairman Olds, of the Federal Power Commission, made no suggestion whatsoever that the Douglas Dam should be included in the program.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 5 additional minutes.

It was also pointed out that the same observation could be made in respect to testimony, I think in July, by officials of the T. V. A. appearing before a committee of the Senate. Two alternative dams, the so-called Watauga Dam and the so-called South Holston Dam were included in the report as important to the program referred to when the report was submitted to the President.

Your committee in its own report dated December 3, 1941, denied funds for the construction of the Douglas Dam. It did so, as stated in the report, first on the basis that the testimony clearly demonstrated that without the construction of this dam there would be available 87,000 kilowatts of continuous power in excess of the stated defense needs for the entire Tennessee Valley Authority area.

It did so also on the ground that alternative proposals suggested both hydroelectric and steam which would not have involved this great sacrifice by the people of this part of the State of Tennessee, had not been disposed of. In other words, your subcommittee denied the funds on the ground that those ad-

vocating the construction of this dam had not proved their case.

I might add that subsequent testimony by the Power Commission indicates that a total of thirty-six and one-half million kilowatts of continuous power is available to the Nation. Of this total, 40 percent in certain sections of the country and 85 percent in another section is now utilized for nondefense power. It would seem that much of this power could be readily transferred and applied to defense needs by a reasonable system of rationing.

The bill went to the Senate, and the Senate inserted in the bill not the Douglas Dam but in lieu of the Douglas Dam the Watauga Dam and the South Holston Dam, to which I have already referred. The House approved the Senate amendment, with the result that \$20,000,000 was made available for these two dams in lieu of the Douglas Dam, the two alternative dams to provide substantially the same amount of power as would have been provided by the Douglas Dam.

Mr. Chairman, I give these facts by way of background in respect to the Douglas Dam item included in the pending bill.

I do not wish to place myself in the position of opposing power that may be established as essential to national defense. I am sure no Member of this House wants to put himself in that position. On the other hand, I am opposed to lavish spending for power plant that is not essential for national defense, particularly if it inflicts needless sacrifice on any of our people.

One thing seems clear on the record today. If it is the judgment of the House that we should construct the Douglas Dam with its resulting hardships, then as far as the record is concerned there is no justification for the construction of the two alternative dams. I do not think there has even been a Budget estimate for either of them.

Let us decide first which alternative is to be carried out. If we decide to construct the Douglas Dam, then let us reappropriate the funds made available for the Watauga and Holston projects and apply them to the Douglas Dam.

Any other course means an expenditure of \$78,000,000 as compared with \$45,000,000 for Watauga and South Holston and with \$33,000,000 for Douglas. It means the creation of three new dams without any testimony whatsoever establishing the necessity of them.

The testimony of T. V. A. on January 8 before the subcommittee in charge of the independent offices indicates that only preliminary operations, such as the building of one access road, have been begun in respect to the two dams authorized in December.

If the verdict of the House is in favor of constructing the Douglas Dam, I propose to offer an amendment to permit the necessary reappropriation of funds. [Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, the measure now before the House provides, among other things, for the construc-

tion of Douglas Dam on the French Broad River, near Dandridge, Tenn. The construction of this dam is recommended by every governmental agency charged with the duty and responsibility of building an adequate number of airplanes for the defense of this Nation and victory over Germany, Italy, and Japan.

Prior to the attack on this Nation by Japan at Pearl Harbor on December 7 of last year, the maximum production of war planes set by the President was 40,000 per year. In his address to the Congress on January 6 of this year the President raised the number of airplanes requisite to the defense of this Nation and for the aid of our Allies to 60,000 this year, including 45,000 combat planes, bombers, dive bombers, pursuit planes, and he stated:

The rate of increase will be continued, so that next year, 1943, we shall produce 125,000 airplanes, including 100,000 combat planes.

That air superiority has heretofore been decisive and will ultimately decide the victors in this World War has been demonstrated again and again—at Dunkirk, in Greece, Crete, Poland, Yugoslavia, North Africa, and Pearl Harbor. In the Philippines, in the battle for Singapore, for the Dutch East Indies, and for the mastery of all Asia, the issue of battle now hangs in the balance and will be decided by superior air power. Russia survives and is winning over Hitler today because she had not only equipment for her land soldiers but air power with which to back up her infantry, artillery, and armored units.

To win we must have an overwhelming superiority of air power. This bill provides for it.

At Alcoa, in Tennessee, the Aluminum Co. of America is today producing 75 percent of the aluminum and aluminum alloys out of which our war planes are constructed. This plant was located at Alcoa long before the first World War because of the availability of cheap hydroelectric power. The Alcoa, Tenn., plant of this company is at present supplied with electric current from dams heretofore constructed by it on the Little Tennessee River at Calderwood, Tenn., at Tapoco, N. C., and from a third, which is a storage dam known as Santeetlah, on the Cheoah River, a tributary of the Little Tennessee, and from a storage dam at Glenville, on the Tuckasegee River, and it will shortly be obtaining power from another dam constructed by it on the Nantahala River.

The President, in sponsoring the Tennessee Valley Authority, "built wiser than he knew." Since the construction of the T. V. A.'s power dams on the Tennessee River and its tributaries it has made possible, through the increased production of electric energy and the sale thereof to the Aluminum Co. of America at Alcoa, a vast increase of aluminum, which, in turn, has made possible the increased production of airplanes for defense and offense by this Nation and its Allies.

On July 30, 1940, this House authorized the construction of the Cherokee Dam, on the Holston River, near Jefferson City, Tenn. That dam has now been completed, is closed, and is being

filled with water, and, when put in operation, the water impounded by it will not only generate 90,000 kilowatts at the dam but will be used over and over again as it flows over the Fort Loudoun Dam, the Watts Bar Dam, the Chickamauga Dam, the Hales Bar Dam, the Guntersville Dam, the Wheeler Dam, the Wilson Dam, and the Pickwick Landing Dam. Thus it is used nine times at these dams in the production of increased power.

At the time of the authorization of the Cherokee Dam the plant of the Aluminum Co. at Alcoa, Tenn., covered 90 acres of ground and produced 500,000 pounds of aluminum and aluminum alloys daily. Since that time this plant has been expanded by the construction of additional buildings covering 55 acres of ground. The ultimate output of the company will be trebled. What it is now producing is a military secret, but we know that its output has been largely increased, and will be further tremendously increased by the construction of the dam now proposed and authorized by this measure.

There is but one method of producing aluminum, and that is by the use of electric current. And only by an increased supply of electric current can we obtain the necessary increased production of aluminum, without which we cannot attain the high-water mark in the production of war planes set by the President and promised by Donald Nelson, who has just been placed in charge of war production, clothed with unprecedented power. The construction of Douglas Dam immediately is imperative if the crucial needs of electric power to produce aluminum for airplanes in 1943 are to be satisfied. In response to a telegram from me, Dr. H. A. Morgan, one of the Directors of the Tennessee Valley Authority, a former president of the University of Tennessee and a man of unquestioned ability and integrity, on January 8 of this year, stated to me:

In no other way can the power which the Office of Production Management and the President have called for be produced anywhere in the country. Every engineer—from private practice and from Government service—has so testified.

It is true that the construction of this dam was not recommended until the demands of the present war emergency left no alternative.

Dr. Morgan further stated to me:

Chief Engineer T. B. Parker, of the Tennessee Valley Authority, and all other engineers who have studied the matter, states that power can be produced at Douglas Dam for from 1 to 1½ mills a kilowatt-hour—the cheapest power that can be produced any place in the country by any means. To anyone who understands the Tennessee Valley Authority hydroelectric projects this will become apparent when it is realized that storage of this dam is above all the other dams on the main Tennessee River. The water it releases makes power at Douglas and at every other dam on the main stream of the Tennessee.

In this position Dr. Morgan is sustained by Mr. William L. Batt, Director of the Materials Division of the Office of Production Management. On December 4, 1941, Mr. Batt made this statement:

Regardless of temporary surpluses in some sections, every important defense area of

the country will be short of power in 1943. The Douglas Dam is one of the few projects which can be undertaken at this late date to relieve that shortage, and it is the only source in the whole country from which so much power can be obtained in 1943. This power is vitally needed, not for the development of the Tennessee Valley or the Southeast, but for the defense of the Nation.

This statement of Mr. Batt has been confirmed by the engineering staff of the Tennessee Valley Authority, headed by Col. Theodore B. Parker and by Mr. W. P. Creager, the eminent hydroelectric consulting engineer engaged by the Office of Production Management, to check Tennessee Valley Authority's engineering facts.

The facts relative to this situation are further developed by Dr. Morgan, and he states:

The elimination of Douglas Dam, therefore, presents a dark picture for 1943. We have been forced to advise the Reynolds Metals Co. and Alcoa that the expansion program planned by Office of Production Management for aluminum production at two existing plants in this region is not feasible for the beginning of operation in 1943. The authorization of Douglas Dam would make it possible for those expansion plans to proceed forthwith.

Eminent engineers who have studied this proposition and gone thoroughly into it express their conclusions and advice in the following words:

If construction is begun by February 1, 1942, Douglas can be counted on to produce a total of 85,000 or 90,000 kilowatts of continuous power by 1943 instead of 100,000 kilowatts. This loss is about one-half the requirements of an aluminum pot room, but Douglas would still provide a large block of power, enough to produce some 85,000,000 pounds of aluminum, not available in any other way.

If this dam is now authorized, it can be completed for filling by March 1, 1943. This means that construction of the Douglas project will correct the serious situation with respect to a shortage of power which would otherwise exist in 1943.

Members of this House have recently been flooded with an article purporting to be the statement of Mayor Jarnagin, of Dandridge, Tenn., in opposition to the construction of Douglas Dam. Prior to our entrance into the present war there was a natural hesitancy on the part of many to authorize the construction of this dam in opposition to those opposed to its construction. The war and the imperative and desperate need for an increased production of aluminum has entirely changed the situation. The facts above stated completely refute the statement attributed to Mayor Jarnagin. The truth of it is his statement is a modern reproduction of the Biblical occurrence where the hands were Esau's but the voice was Jacob's.

To further demonstrate the absolute necessity for the construction of this dam, in response to questions propounded by me to Dr. H. A. Morgan, of the Tennessee Valley Authority, I received from him the following statement of facts, which, to my knowledge, cannot be disputed:

1. The physical characteristics of the Douglas Dam site that will make it possible

to construct this project in so short a time may be summarized as follows: (a) The site itself is an excellent one from an engineering viewpoint, and all necessary preliminary drilling and exploration have been practically completed; (b) the quarry from which we would get the rock is a good one, and the dirt in the vicinity—which would be needed for the earth fills—also is good; (c) the site is virtually a twin of that at Cherokee, and the same designs for gates, turbines, generators, sluice gates, mixing plant, bridge, etc., may be utilized at Douglas. Thus, with a lay-out of the work and equipment similar to that of Cherokee, much of the construction equipment used at Cherokee can be transferred quickly to the Douglas site. The dam can be closed 13 months after it has been authorized. A major consideration is the fact that the Authority has a generator and turbine purchased and now being manufactured for the Cherokee Dam which may be utilized immediately at the Douglas Dam. This unit is scheduled for installation at Cherokee as a third unit to be used for peaking and reserve capacity; if transferred to Douglas, it can be used as the first installation there and used for generation of continuous energy.

2. Approximately 30,500 acres of land will be flooded by the reservoir behind Douglas Dam when the water is at normal pool level.

3. In addition to the French Broad, only a very short stretch of the Nolichucky River would be impounded by the Douglas Dam.

4. The total drainage area behind the dam would be 4,540 square miles, almost twice that of Norris Reservoir. The average annual rainfall is 47.4 inches.

5. You ask in this question how many kilowatts per year will be produced by Douglas. If the Douglas Dam is authorized by February 1, an additional 85,000 kilowatts of continuous power will be made available from the Tennessee Valley Authority system during most of 1943, if that year is a dry year, or 120,000 kilowatts of energy if 1943 is an average year.

6. If 1943 proves to be a dry year, then of the 85,000 kilowatts of continuous power which the erection of Douglas Dam would provide, approximately 30,000 would come from Douglas, and the balance would be generated at 8 dams on the main river in varying proportions. If 1943 is an average year, this would be increased to 120,000 kilowatts, of which 30,000 kilowatts would be generated at Douglas and the balance at the other dams (which include Fort Loudoun, Watts Bar, Chickamauga, Hales Bar, Guntersville, Wheeler, Wilson, and Pickwick). For 1944, of the 100,000 kilowatts of continuous power which would be available if that year proves to be a dry one, approximately 35,000 kilowatts would be generated at Douglas, and the balance at downstream dams. About 50,000 kilowatts would be available from Douglas if 1944 proves to be an average year. These 1944 Douglas figures are based upon two generators in service for 1944, whereas only one would be in service at Douglas in 1943.

7. If Douglas Dam is authorized by February 1, the additional power to be made available in 1943 would produce a minimum of 85,000,000 pounds of aluminum, if 1943 proves to be a dry year.

We are at war. Our armed forces on the land, on the sea and in the air, against overwhelming odds, are performing feats of valor that daily thrill the hearts of all patriotic Americans. Their heroism and their sacrifice is a challenge to the membership of this House. We will not fail them. We will give them guns and ships and planes, and more guns and more ships and more planes, until, in the words of the President, our superiority shall "be overwhelming." In

terms of planes, the increased production of aluminum made possible by the construction of this dam will be from 1,200 to 1,500 bombers per year.

For the want of a nail a shoe was lost,
For the want of a shoe a horse was lost,
For the want of a horse a rider was lost,
For the want of a rider a battle was lost,
For the want of a battle a kingdom was lost—
All for the want of a horseshoe nail.

For the want of planes this war must not be lost. While our boys are fighting and dying is no time to quibble; is no time to resort to cheese paring tactics or to the splitting of hairs.

Time is of the essence. Every minute lost is being paid for in the needless, senseless sacrifice of our strongest, our bravest, and our best boys.

Pass this bill. Translate the power produced by this dam into aluminum and into fighting planes. Our boys are up against superior air power. Give them overwhelming superiority in the air. They will do the rest.

Adopt the battle plan of the Confederate wizard of the saddle, Nathan Bedford Forrest, whose slogan was "Git there fustest with the mostest men." Get there first with the most planes, the most of everything else. Give the Japs, the Nazis, something more indigestible than canned beans, tomatoes, and corn. Hasten the day when their banner shall bear a setting and not a rising sun. Remember Pearl Harbor in the way the Texans remembered the Alamo—in the true American way. Do it by taking this essential step toward air supremacy for our fighting men, wherever they be, anywhere in the world.

MR. PRIEST. Mr. Chairman, will the gentleman yield?

MR. JENNINGS. Yes.

MR. PRIEST. Is it not true that an estimate has been given that the additional aluminum that could be produced as a result of power made by the construction of this dam would be sufficient to increase the airplane production by 15,000 planes per year?

MR. JENNINGS. That is true.

MR. PRIEST. And that is the minimum, I believe?

MR. JENNINGS. Yes.

(MR. JENNINGS asked and was given permission to revise and extend his own remarks in the Record.)

MR. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks.

THE CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

MR. CANNON of Missouri. Mr. Chairman, I yield to the gentleman from Mississippi [MR. COLLINS] such time as he may require.

MR. COLLINS. Mr. Chairman, the Secretary of Agriculture, a few days ago, warned that the United States faces a shortage of sugar. On this subject I shall present to the House some very interesting facts that I feel the American people should know.

Sugar, a prime essential in the national dietary, supplies about 13 percent of the energy we obtain from foods. In wartime sugar moves to a place of new im-

portance—it is a strategic, military requirement of armies in action; it and its byproducts are source materials for vital military supplies, especially industrial alcohol. In times of anticipated shortage of sugar the public reacts most violently, as witnessed by the housewife's panic at the outbreak of hostilities in Europe in 1939.

Brushing aside the statistical position of world overproduction of sugar, the Nation now faces the cold, realistic fact that some sugar stocks once counted upon are in enemy hands, or other supplies are in distant lands that require shipping facilities desperately needed for other purposes. In the present emergency and as protection against possible future emergencies of one kind or another, we must look to the sugar crops produced in our own land, under our own flag, and under our own control as the backlog of our own national supply.

The domestic industries producing sugar and sirups from sugarcane and sugar from sugar beet grown in continental United States have supplied something over 30 percent of our normal national requirements of nearly 7,000,000 tons of sugar each year. These industries must be called upon for production of comestible sugars and sirups and for fermentable sugars from sweet sorghums and from cane molasses from which to produce industrial alcohol to give such measure of relief as possible from the shortages caused by the war. We must seek such immediate increase in American production as can quickly and efficiently be brought about by a policy of encouragement to these basic industries, which feel that they have in the past been restricted and controlled by the circumstances of international policy. If our domestic sugar production is increased so that it supplies 40 or more percent of our requirements of comestible sugars and sirups and if the supply of fermentable sugars is also increased, such development means that new lands must be brought into cultivation and new growers must take part in the effort. An increase of a half million tons is believed possible without building new factories and with no great demands for strategic metals or other war materials. That increase is almost as great as the entire sugar production of Great Britain. To safeguard the crop and to give scientific direction in an expanded production with maintenance of current levels of productivity places a much greater load on the research agencies of the United States Department of Agriculture.

As a member of the Committee on Appropriations, I have been interested in the research agencies for a long time, and I have played some part in the decisions made in supporting them. At a time like this, when we must rely upon our internal efforts for a larger measure of supply of sugar, we may look with satisfaction on the tools that have been forged enabling our farmers rapidly to increase production. My purpose today is to review some of this work and show how our farmers can translate it into sugar in the bag or into molasses in the tank car and then into industrial alco-

hol, which is a solvent used in the manufacture of smokeless gunpowder. Yes; our sugar farmers will not only play a vital part in meeting increased demands for concentrated food for armies but also a large part in supplying those armies with weapons. That an increment of sugar almost equal to the total production of an important industry of our ally, England, is testimony to the prudent regard of our Government for the maintenance of research permitting us to keep abreast of current problems even when the philosophy of scarcity and "plow under" was in its heyday.

The domestic sugar industries, by their own grateful acknowledgment, owe their continued existence as an integral part of American agriculture to the research contributions of the Bureau of Plant Industry and the Bureau of Agricultural Chemistry and Engineering of the United States Department of Agriculture. From the Department's investigations have come the varieties of sugarcane which can grow and make a sugar or sirup crop under exposure to mosaic, root rot, and other diseases. Resistant varieties of sugar beet have saved the sugar industry of western United States, threatened with extinction because of the insect-borne virus disease, curly top. The Department is now introducing varieties of sugar beet so definitely improved in leaf-spot resistance as to reduce to a very considerable extent the serious menace of this leaf blight in areas east of the Rocky Mountains.

In July 1941 Congress has placed upon the Department responsibility for breeding sweet sorghums, together with development of improved methods of culture, whereby this plant may eventually become a new source upon which the Nation may depend for some portion of its sugar requirements. Technological advances in this new field by the Department have been signaled by recent far-reaching improvements in methods of processing sugar from sweet sorghum.

It is important to note that these advances in sugar agriculture, which have come from research, are not complete victories which eliminate the problems but they are significant in that they have been good enough to restore and rehabilitate the stricken farm industries. Nor is the ground that has been won in this scientific battle to make the plant better fit its environment to be held without constant effort. An improved variety must receive constant, uninterrupted attention by the breeder so that it does not retrogress with respect to the very qualities which make it valuable. As new and improved varieties are found, the old varieties must be replaced so the farmer may better meet his problems of crop growing. Thus, a continued, prosperous sugar agriculture requires new sorts as fast as these emerge as a product of the breeder's continued attention and skill. It is the experience not alone with sugar plants but with other crops that as the heritable characters of the plants are manipulated to select and breed more resistant forms, account must be taken of the fact that, in nature, the parasites are also in the state of change. A va-

riety, for example, may be extremely successful when first introduced but may eventually become of little value because of the natural changes in aggressiveness which occur in its parasites or other changes in conditions. Hence, in these studies, which seek to adapt the plant better to fit its place in agriculture, continuous breeding research must go on.

Many problems arise if one visualizes an increased domestic production of sugar. For example, increase in acreage of sugar beets brings up the problem of adequate domestic supplies of seed. As is well known, the success in introducing improved varieties of sugar beet which are now exclusively used in American fields—first the curly-top-resistant varieties and later the better adapted and the leaf-spot-resistant types—was possible because the Department discovered how to grow sugar-beet seed efficiently in the United States of America. From this has grown the American beet-seed enterprise which has freed the United States of its dependence on continental Europe for beet seed. The present requirements for enough sugar-beet seed to plant about 1,000,000 acres of sugar beets are crowding to the limit the available seed acreages in southwestern United States and in the Pacific Northwest. Seed crops on the largest acreage ever grown in the United States of America are experiencing serious reductions because of disease. The success of the ventures in some districts is threatened by new diseases, downy mildew and a new leaf spot. Soil deficiencies occasioned by inadequate natural supplies of boron and sulfur have been encountered in the soils of the Pacific Northwest. These deficiencies have also seriously reduced yields of many fields. Any expanded program which envisions 10, or even 20, percent more sugar-beet acreage immediately brings the disease and soil problems in the seed-growing districts sharply to the fore. These must be met if seed supply is not to become a bottleneck nullifying the whole problem. And, if greater demand for sugar-beet seed is to come from the United States, either in wartime or in the post-war period than that which has already come from England only a forward-looking program which finds new areas and determines their suitability for seed production can meet these new and heavy demands.

Other lines of sugar-beet research have their duties in wartime and in the post-war period. Agronomic studies which take into account labor and machinery shortages must find, by research and practical experiments, ways and means whereby necessary short cuts in production can be introduced which will get the job of increased production done without jeopardizing the crop. Efficiency in use of our fertilizer supplies, always significant, takes a still more important place in the emergency situation in which fertilizer stocks are limited. As basic in the whole program, the breeding projects to which the industry looks for the foundation stocks from which to produce seed have a bigger job than ever in producing improved varieties, to safeguard the farmer from disease loss.

Nor is the situation different with sugarcane, be the crop grown for sugar or, as is done in Mississippi and in seven other Southern States, grown for sirup. Anyone experienced with that crop knows of the steady stream of introductions which have moved this industry from almost complete collapse, brought about by low acre-yields of cane, of sugar, and of sirup, to the high acre-yields which have far outstripped those in the good old days before mosaic and root rot came in to destroy our plantations. The business has been kept in a disease-safe condition because there has been this steady stream of new, improved varieties which have turned aside disease threats when they appeared. Only recently, a new disease, chlorotic streak, gave evidence of repeating the disastrous history of sugarcane mosaic, and, in spite of attempts to stamp it out and restrict its spread, this disease still remains a serious threat to sugarcane culture of the South. Chlorotic streak has not reached Mississippi, and if it does not reach our farms engaged in sirup culture, or if it is slowed up in getting into our fields, it will be due to the Department's guidance in the control efforts.

The cane farmer, both small and large, is confronted, as is the beet farmer, with the job of adapting his methods of culture and his fertilizer practices to wartime conditions. Who is to find for him the efficiencies in production, the new techniques whereby he can raise his production to higher levels if agronomic research—that is, practical field experiment—is lessened? The sirup growers of Mississippi cannot go it alone without the Department's research to help when needed.

One beet-sugar executive has stated that it is an inconceivable situation to him that at the same time that the O. P. M. urges more production of sugar another phase of Government is considering curtailing the research activities on which his factories must rely to accomplish the job of more production.

To me, it is just plain common sense to go along with the farmer and the factory man in their pleas for more, not less, of the kind of Government assistance that really affects the job to be done.

In these times, because of exceptional demands for sugar, we must not overlook the contributions that the producers of sugarcane sirup are already making to the national dietary. In 1939 nearly 25,000,000 gallons of cane sirup were produced in the United States, far exceeding the average of the preceding 10 years. In 1940 production fell off to about 15,000,000 gallons, whereas preliminary estimates for the past season show a strong rise to nearly 20,000,000 gallons. Of this very impressive production of a highly prized foodstuff for our people, Mississippi produced a very substantial percentage, 15 percent; our sister States, Georgia, Florida, and Alabama, made similar high contributions which, with the production from South Carolina, Arkansas, and Texas, and the heavy production from Louisiana, made up the grand total of this important food.

During World War No. 1, and immediately after, we found that the sirup indus-

tries of the Southern States immediately increased production, nearly doubling their previous output. These sirups, which are cane sugar in just another form, replaced nearly an equivalent amount of sugar and certainly eased the situation as to sugar shortage in all parts of our country where distribution of sirup was feasible. And the job was kept up after the war, when sugar was scarce. Thus, in 1919, Mississippi produced 6,675,000 gallons of sirup and in 1920 produced 7,497,000 gallons, contributing nearly 18 percent in each year to the national total.

The farmers in Southern States stand ready again to do their part in meeting the national emergency. They planted about 113,000 acres of sugarcane for sirup production in 1941. But, in the World War No. 1 period and shortly thereafter, the acreage reached nearly twice this figure, and when the call comes again cane will be put in the furrows by our planters.

Here, also, is an expanded program, and we need to know the best methods to follow, the best crop practices, and, above all, we want to use the right varieties so that every acre may do its full part. Our farmers depend on the United States Department of Agriculture and on State agricultural experiment stations for this information and for leadership.

Now, let me turn to another phase of this complicated subject—utilization of sweet sorghums, or the sorghos, as they are properly called. Sweet sorghums are grown extensively in the United States as a source of table sirups. Production of sorghum sirups is largely home industry in Mississippi and other Southern States. It has thrived because the price the farmer gets reflects intangible values which come from the flavor and other qualities of the product. The actual sugar in the sirup is worth a whole lot less than the Mississippi farmer gets for a clear, tangy sorghum sirup. Now, any plant which has a high sugar content is apart from other crop plants whose stored products commonly are starches or oils. Hence, our sweet sorghums have enormous potentialities as a sugar source. In normal times profitable production is, however, restricted because of low acre yields of sugar obtainable from existing varieties. For a war effort, sugar can be produced in quantity from sorghums in this country as early as next year if an energetic effort is made and funds provided to increase the seed of several suitable varieties this year. Sorghums, as we now grow them for sirup, produce rather small crops. The production of sugar per acre must rise because of enhanced tonnages for specially bred varieties in order to place the sweet sorghums on a competitive basis with sugarcane or sugar beets. This is recognized as necessary if we are going to capitalize fully on this crop. We have turned this job over to the Department's breeders and agronomists. The outlook in this work, which has just started under appropriation first made effective in July 1941, is hopeful. This work should not be cut down just when it is starting.

The sweet sorghums will be useful as a source of industrial alcohol in this emergency, and the job of producing

them as a midsummer crop on farms near cane mills this year is being pushed.

Everything points to an almost unlimited demand for industrial alcohol for war purposes, not only in the United States but from our Allies. The fermentation industry, which formerly utilized low-cost byproducts and agricultural wastes, now steps into the picture as an avid competitor for very sorely needed foodstuffs. The sugar industries have another job to do.

The industrial chemical problems in making pure sugar from sorghums arise because sorghum juice contains starches and invert sugars along with the cane sugar. For the fermentation industries producing alcohol, starches and invert sugars are probably as usable as is the cane sugar itself. Hence, as the call arises for fermentable stuffs to supplement the inadequate supplies of blackstrap molasses from Cuba and domestic sources, the sirup obtainable from sorgho may fill a gap in supplies of fermentable sugars not otherwise to be met. At present alcohol prices, it is probable that the low price per sugar unit which can be paid may not be attractive enough so that producers of table sirup in Mississippi will want to enter this field. Furthermore, transportation costs are against extensive response to these proposals. It is doubtful if small mills used for table sirup production, and low acre productions, make existing sweet-sorghum areas a large factor in the situation. But, if the country finds it needs sorghum sirup to make powder to keep America free, it just has to say the word.

There is another large production area to which we may turn. If production problems can be met, acreages in Louisiana close to cane mills which can process and efficiently produce sirup without change in their existing mill set-ups may be asked to enter into sorgho production and a fairly large new source of fermentable sugars thus be developed wholly as a temporary emergency war measure. This can be done without change in mill capacity because sorghum is an early season crop and can be milled before the normal time for milling the sugarcane crop. To launch a new crop in the area puts a heavy load on directive research. The Department would need to be given the means to handle this job.

Those closely in touch with the research work of the Bureau of Plant Industry know that the projects undertaken are those authorized by Congress and supported year to year by its appropriations. These projects are those which have entirely to do with meeting some specific problem which was outlined in the beginning, carefully studied as to method of work, and ordered started. As the work has been continued by means of the annual appropriations, it means that satisfactory progress has been shown and that farmers and those in the industry have given it support. The constant recasting of work, beginning with cuts in appropriations from 1933 on, has eliminated those projects which could be terminated. It is not too much to say that the projects now being conducted are, in general, at such a point that further reduction in appropriations is tantamount to ordering discontinuance.

The projects dealing with sugar and sirup investigations are closely geared to the needs of the industry. There is no research for research's sake being carried on. In essence, all work is applied science, with only such fundamental investigations in cytology, genetics, physiology, and plant pathology as are directly needed to give practical breeders and field experimenters the necessary background that their work may be effective.

It is true that these jobs have long-time objectives. But to serve the Nation at war or to meet post-wartime problems, these research projects do not need to be torn down or revamped. One does not find here visionary or theoretical problems but straightforward, practical problems are being met with fidelity and close application. It has been stated that plant breeding must be forward looking and must keep abreast with a changing environment. But one cannot look backward in research or limit his ideals of plant accomplishment to bygone days. The agronomist does not find a single set of crop conditions for which he must develop a rule, but he must study and learn the principles of plant growth that he be a reliable guide indicating plant behavior. Otherwise, he is an empiric and his investigations make no lasting contribution.

There is a popular misconception that there are a lot of frills and floundering in research work. In the important and main investigations on crop plants, and in the sugar plants in particular, every project has a definite and entirely feasible purpose, and it sticks to its particular job. The impressive record of the accomplishments in meeting the problems of the sugarcane and sugar-beet industries could not be given if the research were otherwise than a clearly outlined, definitely planned march to an attainable goal.

Let us realize that we must keep pace in this day of rapid technological progress, stimulated and accelerated in all countries because of the war. The farmer has been asked to do his part by producing food. You and I know that the American farmer, true to his traditions, is going to do this job nobly and in full measure. He must, in this time of stress, accomplish his task, making the old tools and machinery do the work and more. He must disrupt the rotation system on the farm acres and break the regular ways of crop culture. He must grow more food when his sons and his field hands answer the country's call. The least we can do is to marshal all the forces of scientific agriculture to help him. The great work which the farmer is going to do will be crowned by greater success if he has been relieved of some of the uncertainties that beset agriculture at all times.

(Mr. COLLINS asked and was given permission to extend his own remarks in the RECORD.)

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. STARNES].

Mr. STARNES of Alabama. Mr. Chairman, every dollar in this huge appropriation bill is for the Air Corps or

directly related to the Air Corps of the United States Army. We have in this bill approximately a billion dollars for expediting the production of airplanes. We have ordnance, signal corps, chemical warfare service items, all related to the Air Corps production. The item for the Douglas Dam is just as directly related to this Air Corps program as is the money for the construction of new plants or conversion of present facilities from peacetime to wartime production in the automobile industry, or the production of bombs or armor plate, because planes cannot be produced in the first instance unless we have the power to produce aluminum. This bill provides money to maintain continuity of present planned capacity and to increase production of heavy bombers. Under existing orders maximum production will be reached in August 1942. Since continuity of production is necessary to attain maximum effort this bill is important. The expansion and full utilization of existing facilities plus the conversion of the automobile industry to war production will expedite the delivery of our bomber program. The heavy bombers being constructed will provide the striking power in the air force.

I shall now address myself to the one item that seems to be somewhat controversial, and that is the item for the Douglas Dam. Every competent governmental agency, authorized to speak in behalf of our war effort, implemented and supplemented by the evidence of all competent experts who have been called upon to make any statement with reference to it in private business and industry, states that there is an acute power problem involved in this war effort of ours. This problem of providing sufficient power will be acute to the nth degree in 1943, when our production will reach its height. According to all of the testimony given to various appropriation subcommittees beginning in October, again in November, and lastly in December 1941, power at the Douglas Dam site can be produced in a larger quantity and more expeditiously and translated into terms of aluminum for planes than elsewhere in the whole United States of America. I challenge those who oppose this item to produce one single scintilla of competent testimony from private power sources, from public power sources, and governmental agencies, who say that we will not have a power shortage in 1943, and who also say that you can produce this power elsewhere more cheaply and more quickly and translate it into terms of war efforts than at Douglas Dam.

Mr. McLEAN. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. Yes; I yield to the gentleman from New Jersey.

Mr. McLEAN. About a year and a half ago Mr. Lilienthal, before the Committee on Appropriations, stated that the Tennessee Valley Authority was studying and was about to provide a balance sheet which the average man could understand. Can the gentleman tell us what progress is being made in that respect?

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. CANNON of Missouri. Mr. Chairman I yield 5 minutes more to the gentleman from Alabama.

Mr. STARNES of Alabama. Mr. Chairman, I do not intend to be drawn into a controversy between Mr. Lilienthal and the gentleman from New Jersey.

Mr. McLEAN rose.

Mr. STARNES of Alabama. Wait a moment. I shall not yield any further, because I do not think, knowing Mr. Lilienthal as I do, and knowing the gentleman from New Jersey as I do, that I nor any other power, terrestrial or celestial, could reconcile the views of those two gentlemen with reference to the T. V. A.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. Certainly.

Mr. TABER. I have in my hand a statement from Mr. Kellogg, president of the Edison Electric Institute, in yesterday's New York Herald Tribune, pointing to a present surplus of more than 9,000,000 kilowatt-hours above the greatest demand for power, and the construction of an equal amount in the next 3 years.

Mr. STARNES of Alabama. The gentleman may have such a statement. I do not dispute there is a surplus of power in areas where there is no war production and where there can be no war production due to lack of material and facilities, but in areas where war effort is under way, and where it will be carried on throughout the war, whether it be a long war or a short war, there is an acute power shortage, and there still is not one scintilla of evidence showing that we do not need the power in this particular area.

More aluminum is produced in the Tennessee Valley area than elsewhere. The necessity of speedy production of planes is acknowledged by everyone, regardless of position and regardless of politics. This power can be produced at Douglas Dam in 1943. The House and Senate, in its collective judgment, substituted two dams last month, which will cost \$48,000,000 instead of \$32,000,000, the original estimated cost of Douglas Dam, and will not produce power until 1944 or 1945. I make no criticism of that action, but call attention to the fact these two dams are not scheduled to produce power in 1943 when the shortage will become acute because of expanded production.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield.

Mr. KEFAUVER. The gentleman from New York [Mr. TABER] has read a statement by Mr. Kellogg. I am not sure about it, but possibly the gentleman can tell us. It is my recollection that when Mr. Kellogg was with O. P. M. he reported there was a power shortage and would be one in 1943 and in 1944. I just wondered if the gentleman had any recollection of what he did say at that time.

Mr. STARNES of Alabama. In answer to what the gentleman has stated, the hearings on the supplemental national defense appropriation bill for 1942, the hearings on the third supplemental national defense appropriation bill for 1942, and the hearings on the independent offices appropriation bill for 1943 disclose

voluminous testimony and voluminous evidence to the effect that in 1943 there will be a power shortage even though every existing facility is used to its fullest extent, and even though every new facility now being provided in the T. V. A. and throughout the entire country is used to its fullest extent.

Mr. KEFAUVER. I will ask the gentleman if those statements were not made before the tremendous rise in the plant-production program, after the attack on Pearl Harbor.

Mr. STARNES of Alabama. A portion of them were.

Now, particularly I want to call the attention of the gentleman from New York [Mr. TABER] and others to the testimony of Mr. Tate of the Federal Power Commission, given before the subcommittee of the Committee on Appropriations on the independent offices appropriation bill, found on page 1074 of the hearings on that bill, in which I asked this question:

What is the total installed power capacity of the country at this time?

And Mr. Tate said:

About 42,800,000 kilowatts in public utility plants. There are a number of installations in private industrial plants that have their own generating facilities.

And to read a statement he made, which was supplied by him in response to the question of whether or not there was any need, nationally, for all the power that we have and are providing for. You will find he states that there was, and that even after those facilities had been provided, there would still be a shortage of power in 1943:

INSTALLED CAPACITY OF PUBLIC-UTILITY GENERATING STATIONS

Mr. STARNES. Mr. Tate, what is the total installed-power capacity of the country at this time?

Mr. TATE. About 42,800,000 kilowatts in public-utility plants. There are a number of installations in private industrial plants that have their own generating facilities.

Mr. STARNES. What is the approximate annual continuous power?

(The following statement was later supplied by Mr. Tate for the record:)

"The present installed capacity in public-utility generating stations in the United States is approximately 42,800,000 kilowatts (as of December 31, 1941). Approximately 39,000,000 kilowatts of this is installed in the plants of the major power systems of the United States, which number about 200. The total dependable capacity of the major electric utility systems, which are the ones from which the Federal Power Commission obtains monthly reports on loads and capacity, amounts to about 36,500,000 kilowatts. This figure of dependable capacity, although commonly interpreted as representing continuous carrying capacity, obviously includes many waterpower plants which cannot operate continuously throughout the year, either because of low stream flow or because some of them are storage plants and of necessity must be shut down during periods of filling the reservoirs and then held as nearly full as possible until the normal dry season of the year begins or for emergency use. The continuous capacity of the electric generating stations of the Nation's systems is, therefore, not an easily ascertained figure and even if obtained, it does not have much significance as the power loads are greater during certain seasons of the year than at other times and some of this capacity, therefore, operates at very low load factors or for only a few hours

use each day during the peak load season or critical period when reservoirs are being drawn down.

"The figures for the entire country, although significant from the standpoint of total capacity available, do not form a proper criterion to judge the power supply which must be determined separately for each area of the country, in accordance with the load conditions prevailing in the area at relative proportions of hydroelectric generating capacity and plants using fuel for electric generating, the amount of reserves required to maintain continuous service and the transmission network and the location of the power sources with respect to the power loads or markets and the interconnections available between areas.

"Before the United States entered the war the Commission's staff prepared estimates of the loads of the major electric-utility systems that might be realized during the years 1942 and 1943 and for several years subsequent thereto, on the basis of current annual expenditures for defense of \$3,000,000,000 per month or \$36,000,000,000 annually. These indicated that the demand to be planned for in 1942 would be 39,581,000 kilowatts and 42,715,000 kilowatts for 1943, as compared with 33,951,000 kilowatts to be expected in 1941.

"As a result of our actual entry into the war and the recent message—January 6, 1942—of the President to Congress setting a figure of \$56,000,000,000 to be expended in the fiscal year 1943, the whole defense program will be considerably stepped up to such an extent that critical shortages in power supply will occur in various sections of the country both this year and next, in spite of the large additions to generating capacity that are being made. The scheduled additions to the major systems' plants, for installation and operation in 1942, amount to 3,256,000 kilowatts, of which 2,268,500 kilowatts are in fuel plants and 987,500 kilowatts in hydroelectric plants. During 1943 these scheduled additions to the major electric-utility systems amount to 2,952,000 kilowatts, of which 2,128,000 kilowatts are to be installed in plants using fuel and 824,000 kilowatts in water-power projects.

"The problem of meeting 1942 and 1943 loads, therefore, becomes one of:

"1. Expediting the installation and operation of all new generating equipment planned for operation during these years.

"2. Expediting the installation and operation of such transmission interconnections as are required and as can be brought into service during these years.

"3. The rehabilitation, reconditioning, and overhauling of all electrical and mechanical equipment, in preparation for the still heavier loads to be experienced and the necessity of operating this equipment continuously.

"4. Filling of all storage reservoirs insofar as rainfall and stream flows permit, and keeping them at as high a level as possible against the contingency of possible dry seasons, and for the greater loads to be experienced during the late summer and fall.

"5. The pooling of all power resources in an area and between areas to secure maximum use of all existing facilities and to see that no generating capacity that can be utilized is allowed to remain idle.

"6. The construction of such additional emergency interconnections as needed in any area and between areas as can be completed in time to be of service.

"7. The adjusting of loads and switching the hours of operation in order to reduce peaks and to reduce the loads to such a point that existing generating capacity and that to be installed can successfully carry these loads.

"8. After all of the above steps have been taken, and if curtailment becomes necessary, power should then be rationed to insure that all power needed for the war materials manu-

facture and Military and Naval Establishments is assured, together with a power supply to all other essential uses, such as hospitals, fire and communication systems, airports and airway beacons, municipal plants and water-supply systems, sewage-disposal and sewage-pumping plants, railroads and terminals, bridges, etc., and that unnecessary or nonessential uses be sufficiently curtailed so that war production will not be interfered with.

"The present industrial loads vary from 10 to 15 percent in some areas which are not highly industrialized to as much as 60 percent in the Tennessee Valley region and to 95 percent in the Niagara Falls region, where the residential, domestic, and commercial loads only amount to about 5 percent of the total. While the entire industrial load is not all direct defense load, there are, however, many industries in these areas operating on indirect defense orders, supplying parts to firms which have direct orders from the War and Navy Departments and other Government establishments, and there are many essential uses which cannot be curtailed without disrupting the welfare of the people. The amount of curtailment possible therefore varies from one community to another and must be worked out separately in each area."

SHORTAGE OF POWER FOR DEFENSE PROGRAM

Mr. STARNES. Is there sufficient power on hand or projected to meet this defense program of ours for 1943 and 1944?

Mr. OLDS. There is not sufficient to meet the defense load of either 1942, 1943, or 1944 without either additional capacity or a material curtailment in certain areas of the country.

Mr. WOODRUM. How short are you?

Mr. OLDS. What is the total shortage, Mr. Tate?

Mr. TATE. It will probably run in the neighborhood of a couple of million kilowatts this year and probably three or four million next year, on the basis of the President's message to Congress on January 6, whereby the whole program is being stepped up.

Mr. STARNES. How much of the 38,000,000 continuous power would you say is being used in purely defense production?

Mr. TATE. It varies from one area to another. In the Tennessee Valley area it is probably in the neighborhood of 60 percent; in the other Southeastern States it is in the neighborhood of 35 percent; in New England, about 25 percent; in some areas in the interior of the country about 15 percent or less; on the Pacific coast it will probably run in the neighborhood of 25 or 30 percent now, and in southern California as high as 50 percent.

Mr. STARNES. Mr. Olds, did you make a survey of the power situation with reference to places where single blocks of power or large blocks of power could be made most quickly available to meet this defense program, during recent months?

Mr. OLDS. Yes; we have a continuous survey on that basis which deals with each of the 48 areas of the country. We issue a report every month as to the availability of additional power not only this year but projecting the situation 2 years ahead so that we either know there is likely to be a shortage in that area in the next 2 years or we can say to the Navy, the Army, or Office of Production Management: "You can put in additional production of munitions in these areas, because there is available a surplus of power."

ALUMINUM PRODUCTION IN THE TENNESSEE VALLEY AUTHORITY AREA

Mr. STARNES. Is it not a fact the Tennessee Valley Authority area has more and probably larger facilities for producing aluminum for defense purposes than found elsewhere in the country?

Mr. OLDS. You are talking about the two aluminum companies?

Mr. STARNES. The Aluminum Co. of America and the Reynolds Aluminum Co.

Mr. OLDS. I think that is true. They are doing a good deal of expansion in other sections of the country, but I think the greatest concentration of aluminum production at present is in the Tennessee Valley and the southeastern area.

Mr. STARNES. You were asked by the Office of Production Management—and, of course, that meant the President—to make a study and recommendation as to where power could be produced most quickly in that area, during the past year?

Mr. OLDS. We were asked to make a recommendation as to the best locations for the expansion of aluminum production; yes, sir.

DOUGLAS DAM RECOMMENDED BY COMMISSION FOR PRODUCTION OF ALUMINUM

Mr. STARNES. On the basis of that, did you recommend the Douglas project as the most desirable project throughout the country to produce power for the purpose of producing aluminum?

Mr. OLDS. I would not say the best throughout the country, but we indicated that was the best location for the development of additional power in the southeastern area. That is, we have to view each region and area by itself, because there is no interconnection of sufficient capacity between regions so that you can use power interchangeably in terms of the defense program to provide an adequate power supply in the Southeast. We recommended Douglas Dam as one which could be most expeditiously developed to provide the greatest power directly and indirectly for defense.

Mr. STARNES. In the shortest space of time?

Mr. OLDS. In the shortest space of time.

Mr. STARNES. You took into consideration not only the production of power by hydroelectric plants but also by steam?

Mr. OLDS. That is correct.

I further invite the attention of the House to the statements of Mr. Knudsen, Mr. Batt, Mr. Olds, and the President of the United States as found in the hearings on the second and third supplemental national-defense appropriation bills for 1942.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Chairman, it is unnecessary I am sure for me to add anything at this time to what has been said by other members of the committee in support of the pending measure. It is the first bill that the Committee on Appropriations of the House has considered and presented to this body for the defense of the Nation since our recent declarations of war against the Axis Powers.

This appropriation of more than \$12,500,000,000 is the largest of the many huge appropriations presented to the Congress in support of the present national defense program. The further fact that every dollar proposed to be appropriated in the pending bill is for the purpose of constructing airplanes of various types, airplane equipment, accessories, ordnance, and ammunition is also significant. This unheard of appropriation for one particular implement of military equipment would have appeared to be unreasonable and unthinkable a few months or even weeks ago, but, of course, Pearl Harbor has changed the theories and philosophies of national defense of our military experts. It has finally dawned upon men who claim to be military experts high up in the military and naval service, as well as a few

Congressmen and other governmental officials who evidently think they are experts on the subject, that the United States must have superiority of the air and at the earliest possible hour.

At the committee hearings this week appeared the Under Secretary of War Patterson, General Arnold of the air force, Mr. Knudsen, and several other chiefs of the various branches and divisions in the War Department affected by this appropriation. Judging from the testimony of these gentlemen, this \$12,500,000,000 would not accomplish what the President has in mind for the next fiscal year so far as airplane production is concerned. The committee was advised that the funds appropriated in the pending measure will make possible the procurement and construction of 33,000 airplanes, of which 23,000 are tactical types and 10,000 are the small training-type planes. You will recall that President Roosevelt in his message of January 6 announced his proposal of increasing the production of planes for both the Army and Navy to 60,000 for 1942, of which 45,000 would be combat planes and 125,000 in 1943, 100,000 of which are to be combat planes.

Although the program outlined in the present bill does not meet the War Department's proportion of that goal we were told that it will be a mighty forward step toward such a goal and that it will add very materially in meeting it. This bill provides funds to greatly increase the capacity for production of bomber types, a type that has not been especially emphasized in the past, but Pearl Harbor has taught one valuable lesson—that bomber types of planes are not only essential but absolutely indispensable in an all-out war to win the battle of the Pacific.

I want to say here, as I have stated in the past, that I am of the opinion that the average citizen and taxpayer of the United States wants this Congress to appropriate every dollar that is absolutely essential for equipment, planes, ammunition, guns, and so forth, to win this war at the earliest possible date, but I am also convinced that our people are disappointed, chagrined, and disgusted to know that some of the great corporations of the country are apparently more interested in making enormous profits from defense contracts than winning this war. In this connection let me say it is the moral duty of every Member of this House and especially members of the Appropriations Committee to leave no stone unturned to the end that every dollar appropriated and expended under the provisions of the pending bill, as well as all other appropriations for the defense of the country, shall be expended in the interest of national defense rather than those who seek to secure huge profits from the misfortunes of war.

There is another unsatisfactory situation that in my judgment ought to be corrected as soon as possible. No one seems to know how many planes of the various types we have sent to Great Britain, to Russia, China, and our other Allies. It may be that officials in charge have been justified in sending the enormous amount of planes and equipment

to our allied nations who were in distress in the past. One thing, however, seems to be certain: that we have sent too many planes and too much equipment for our own welfare. Now that Great Britain has had a breathing spell for several months—in fact ever since Hitler made his fatal mistake of attempting to conquer Russia—testimony before our committee was to the effect that Britain has stepped up her production of airplanes of recent months very materially. It just occurs to me that in fairness to ourselves and to the little band of valiant fighters under General MacArthur, who are gallantly holding out against odds of 10 to 1 or more in the Philippines, that we ought to send every plane, gun, ship, and equipment that is possible to General MacArthur and his men now before it is too late. I feel confident, judging from the testimony given the committee, that our American fighting planes and bombers are superior to anything the Axis Powers have and as this war proceeds it seems also that it is becoming increasingly evident that we must have superiority in the air in order to win the war of the Pacific. This appropriation, added to others made by this Congress, will procure the planes, tools, and equipment that will give the United States by far the largest and best air force in all the world. With such an air force, backed by our other implements of warfare, our brave and brilliant young American aviators will drive the treacherous little brown men from the air, and make certain the winning of this war.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, as has already been pointed out by a number of the Members, this is the most gigantic appropriation that any Congress or any legislative body has been called upon in the history of the world to report. As the gentleman from Oklahoma [Mr. JOHNSON] and others, I, too, am supporting the bill. I am strong for it. I realize that the American people are going to be called upon to share tremendous sacrifices in blood and treasure in order to win this war. The amount of money required is very large, but I shall not hesitate one moment in voting for all necessary appropriations.

I think, however, that this is a good time to point out that national defense should not become the cloak for covering up inefficiency, bad judgment, and waste. Of all times this is the time when we need a wise expenditure of our money so that we may become so well prepared that the sacrifice of human life may be kept at a minimum. War profiteering is not only wasteful, extravagant, and dishonest, it is destructive of our national-defense effort. It increases the hazards of those who are bearing arms for this country. We in Congress can appropriate the money but the administrative branches of the Government will have the responsibility of spending it. Yet it is our duty to cooperate in every helpful way.

The Appropriations Committee is to be complimented upon some of the very searching questions that were asked in

the hearings on this bill. It was developed very clearly by the gentleman from Kentucky [Mr. O'NEAL] and others, that the per unit cost of airplanes is still on the incline. As we go into mass production of fighting planes, we find the per-unit cost of the plane going up. To me this has been a very discouraging development. There are numerous reasons given why the per-unit cost has gone up. I am not critical of the War Department, because the War Department has a job to perform, and is operating under the laws of the land and under some very definite handicaps. Not only that, they have to act, and act promptly. Not only that, competition is almost outside the picture. For example, in the production of radio equipment there are not a large number of people qualified to produce the type of radio equipment required. You do not have the real competition which you ought to have. In other words, it appears to me that any large producer of radio equipment can sit by and mark time because he knows that he will get the contract and get it at a price which will be advantageous to him.

We are in great need of a tremendous production of planes and other equipment for war. The large manufacturing concerns know that the Government will have to use their facilities and even build others and they have made no adequate efforts to cut costs or to spare the taxpayer. They seem to have the country at their mercy and too many of them are exacting exorbitant prices from the Government. There is really not much competition and the manufacturer is not sufficiently interested in cutting costs and preventing waste.

Before this war started many of us were supporting legislation to take the profits out of war. There is a greater reason now than ever to prevent war profiteering. I am told that the British produce planes at about half the costs which we pay for comparable planes in this country. Of course, the British standard of living is below ours and there may be other reasons.

In the hearings General Arnold points out the increase in unit costs and many of the reasons therefor. He also points out the increases in costs which have been brought about by certain refinements in the planes. I quote from page 19 of the hearings:

General ARNOLD. All of these airplanes have become more expensive for another reason that has not come out yet, and that is increased complexity and weight. We used to build the tanks entirely of metal. Now they are self-sealing. We had to put in armor protection. We have had to put new kinds of radio in our airplanes. We have had to have new identification signal devices in them. All of those increased the weight of the airplane. When you add the increased cost of labor and all of these new gadgets as well as the increased number of pounds of aluminum in the plane, the price goes up.

I am not critical of General Arnold. He is an officer of superior quality. I am convinced that General Arnold and other able officials in the War Department are doing the best they can. Certainly the Congress should do everything possible

to expedite the defense program and prevent loss by wastefulness and war profiteering. To prevent waste and profiteering is to help win the war.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. COOLEY. Is it not natural to suppose that as we get over into mass production costs will go down substantially from the present cost?

Mr. MAHON. The War Department officials say that if we keep up this curve for a period of years it will eventually come down, but it will not come down within the life of the appropriations made in this bill.

By unanimous consent, I here insert for the RECORD page 18 of the hearings—a statement furnished by Mr. T. P. Wright, of the Office of Production Management:

DISCUSSION OF THE REASONS WHY PRICES TO THE GOVERNMENT FOR AIRPLANES AND COMPONENT PARTS HAVE, IN GENERAL, INCREASED DURING THE PAST YEAR AND A HALF TO 2 YEARS

At the hearing before the House of Representatives Appropriations Committee on January 20 the above question arose, and the writer was asked to set down the contributing causes of the situation with which the Government is confronted with respect to airplane prices. The following, therefore, gives the writer's views as to the reasons for the price increases which have maintained during the past period of expansion and which, to some extent, may be anticipated in the future.

The increases in airplane quantities which are contained in programs under succeeding appropriation bills have been such that under normal conditions, and with other things being equal, would have resulted in reductions in prices up to as much as 40 percent, depending, of course, on the particular quantities procured under each succeeding order.

The factors which have equalized such reduction, and, in fact, have made prices actually more than formerly, are the following:

1. Labor: The cost of labor has increased during this period by 20 or 25 percent, and as labor represents from 25 to 30 percent of the cost of airplanes (depending on the quantity under order) this price increase reflects proportionately as an increase in price. Coupled to this increase in hourly labor rates must be added the more extensive overtime which has been brought about by the justifiable requests from Government to accelerate deliveries. Assuming an average week of 46 hours now, there would result a 12 or 15 percent increase in labor cost incident to overtime at one and a half times straight rate for week days and Saturdays and double time for Sundays and holidays.

2. Overhead: In the aircraft industry overhead is usually computed as a percent of direct labor. It has run from 75 to 100 percent (for air frames) and as many items of cost have increased parallel with increasing labor rates this fixed percentage has continued to hold.

3. Material: Prices of material have advanced by at least 10 or 15 percent during the period in question and do not appear as yet to have stabilized. Material represents from 27 to 35 percent of the total cost, so that here again the increase reflects proportionately in the price.

4. Tools: Unit tool costs increase with size of order and represent from 7 to 12 percent of the total. As tools costs are made up of labor and material, they also have advanced in accordance with the general trend. The same applies for engineering.

Combining the above direct costs, it appears that approximately a 20-percent increase in price will be brought about by them alone.

5. To these direct costs, however, there must be added certain intangibles, including such items as: (a) Educational programs for inexperienced labor; (b) loss in efficiency due to thinned-out supervision; (c) recourse to higher percentages of subcontracting, involving not only more work on the part of prime contractors in educating and supervising subcontractors' efforts but also the inclusion of double profits and general lowering of efficiency. Although the effect of these intangible items is difficult to determine accurately, it is believed reasonable to estimate that their combined effect might easily represent a 15- or 20-percent increase in cost.

6. In addition to the above, there is the fact that the airplanes and engines have themselves grown, adding on new equipment, which, in turn, has increased the weight. Reference here is made to a specific type and not to the increase in size of airplanes, when going to four-engine bombers, which reflects increase in the over-all cost of a program. Within the period under discussion airplane specifications have been changed to include self-sealing tanks, armor plate, more extensive technical equipment, and inclusion of highly specialized power equipment. In the case of engines the more general use of modernized equipment has similarly affected the power-plant size. These items themselves have added at least 10 or 15 percent in cost of a specific model of airplane as it has evolved in this period.

From the above it appears that in the last year and half to 2 years there is a total increase in cost ranging from 50 to 60 percent above those which existed at the first of the period. When combining this with the decrease due to increased quantities, there remains a balance of 20- or 25-percent net increase, which, it is believed, approximates the condition that has actually confronted procurement officers.

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, I am supporting this, the most gigantic appropriation an American Congress has ever passed for military purposes. We must have the planes we are told this money will provide in order to win. We must vote for this bill pretty much "sights unseen," because the hearings and the explanations of what is to be done with this money are very meager, due to considerations of military secrecy. The reports of our past performance are of necessity also meager at this time, for the same reason.

I urge you all to read carefully the report to the Nation issued today by the Office of Facts and Figures, called The American Preparation for War. It is an interesting and helpful summary of what has actually been done, with a candid recognition of what has not been done. The essential facts as to planes and arms produced are disappointingly vague or are omitted, presumably for reasons of military secrecy, but it gives an all-over picture of our other preparations. It shows this, however, that American preparation for war, although billions in appropriations have been available, is still largely in the "gonta" stage. We are "gonta" have production, we are "gonta" have planes, tanks, ammunition, and so forth. I submit that the question from now on is not prom-

ised future capacity but present production. To win we shall need preparation that results in "got" not "gonta."

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

(Mr. RICH asked and was given permission to revise and extend his remarks.)

Mr. RICH. Mr. Chairman, this bill is summed up by the report of the committee, and from that report I read four lines as follows:

The sum of \$12,525,872,474 is the largest single appropriation ever presented to Congress for the procurement of military equipment.

The entire amount is for one particular implement of military equipment—airplanes. I now read from page 2 of the bill, lines 23 and 24:

Air Corps, Army: For Air Corps, Army, \$9,041,373,090.

To this item in the bill I subscribe, even though it is the greatest single appropriation I have ever voted for. While I am going to support this item, the fact is there have been appropriations for the Army and the Navy in the past several years presented on the floor of the House to which I objected strenuously because they did not build up the Air Corps. I wanted to vote more money for airplanes and less for 45,000-ton battleships at \$100,000,000 to \$125,000,000 each.

I said then that we should cut those items and increase our air power, but we could not get action on air power in those Army and Navy bills. Air power was cut down. Now, however, we have to come and raise them at much more expense. If your foresight was as good as your hindsight, you would be better off today. It is now going to cost us a lot more to get these vital necessities of war airplanes than it would have had they been included in the bills we passed during the last several years. As the chairman of the subcommittee said a few moments ago, had we had airplanes we would not have been driven practically out of the Philippines; we would not have to be fearful of what is happening over in the east by the yellow-bellied Japs.

Air power is what we need today; you all admit it now, but we are only appropriating the money. It is going to take a long time before we get the airplanes themselves. We ought to avoid some of the errors we have made heretofore. It is never too late to criticize; some of you fellows should take heed.

There is another item in this bill with which I do not agree at all: Title I, section 102, where we give the President power to sell, transfer title to, exchange, lease, lend, or otherwise dispose of to the government of any country whose defense the President deems vital to our own defense. That is all right in a sense, but we have placed up to this time about \$19,000,000,000 in the hands of the President to give away. In my opinion, there is too much effort being made by other governments to get something for nothing out of our Nation, and too much will on the part of the President to give away that for which the American taxpayers have got to pay the bill. These govern-

ments are not assuming their obligations, and we are the ones who will be compelled to make the American people pay the bill. The noose is going to be placed about our necks because we did not look after the people of the United States and their interests properly. I think the President is too easy and too generous in looking after the other nations of the world and is not keeping his eye on America. I am for American national defense, and I am for the American form of government; but, if we keep on the way we are going, I can see it get away from us; I can see that our liberties will soon be gone; I can see our form of government vanish. I can see the American people at the point where they are going to have such hardships of life as they have never had in all the history of this country.

It is mighty easy to think of bringing the other nations of the world up to our standard of living. That may be all right as a theory, but in doing so we should watch out that we do not drag America down to their level instead of raising them to ours. I fear the latter will happen. Certainly we will pay the bill with taxes, more taxes, and more taxes, less of the pleasures of life, less freedom, more sweat, more hard work, more hardships.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, although this is the largest appropriation bill ever passed by any legislative body in the history of the world, in view of America's present urgent need of the most superior equipment in the greatest possible quantity, I favor this huge appropriation. I wish to ask a few questions of the chairman of the Committee on Appropriations. I notice, on page 2, bottom of the page, an item for the Signal Corps. May I ask whether that appropriation is for equipment solely, or for equipment and training of men to use that equipment?

Mr. CANNON of Missouri. In response to the gentleman's question, may I say there is no appropriation in this bill for personnel. It is all for matériel. The item for the Signal Corps is exclusively for radio equipment and for telephone equipment as between planes and as between planes and the ground. Some of it is new, not having been used before, but it is mostly standard equipment for those purposes. All of it is for matériel.

Mr. MURDOCK. I notice that Col. Kirk B. Lawton testified before the committee. He is a very able and competent officer and I have profound respect for his judgment in his chosen military field. Has any provision been made for aircraft warnings and that sort of thing? To be forewarned is to be forearmed. To gain superiority in the air, as this bill intends, it is necessary that we be thoroughly equipped with the aircraft-warning devices which America can produce.

Mr. CANNON of Missouri. All electrical equipment which can be used and which is serviceable for a fighting plane is to be included in the equipment of these planes. They are going to be the

latest model in that respect, either here or anywhere in the world.

Mr. MURDOCK. Of that fact I feel quite sure, especially now that we see the part played by aircraft in modern war and when we consider our own productive capacity. My hope is that this appropriation gives the Signal Corps officials power and latitude to make our aircraft-warning equipment superior to any in the world.

Mr. CANNON of Missouri. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, I shall direct my remarks to title II of the bill, the appropriation of \$30,000,000 to build Douglas Dam. I know it was with a great deal of reluctance that the Committee on Appropriations finally agreed and decided to recommend this appropriation. It was with a good deal of reluctance because of the protest and the facts that it would cover some 30,000 acres of good fertile land. But when we entered the war and it became necessary to have this additional power during 1943, and when everybody who had made a study of the situation said this was the one place in the United States where such power could be secured in such a short time, the Committee on Appropriations decided to include it, and I congratulate that committee for doing so. The members of the committee have shown real patriotism.

Likewise, this dam was opposed by the distinguished senior Senator from Tennessee, Senator McKELLAR. He opposed it from the very beginning for the reasons I have stated; but when our Commander in Chief, and when those upon whom we must rely, said it is absolutely necessary to create power to produce the aluminum necessary for the construction of airplanes, Senator McKELLAR withdrew his objection, as he felt that in time of war we had to follow our Commander in Chief. Mr. Chairman, in the beginning of this controversy there was also a great deal of opposition to this project by the people of Tennessee, because the people in this particular region, or a great many of them at least, did not want their farms covered up. They did not want to lose their businesses. When it was made clear to them by our leaders, upon whom we must rely, that it was absolutely necessary in our war effort, that this power could not be secured anywhere else so quickly and at such low cost, the great majority of the people of Tennessee who were opposed to the dam in the beginning now say, "Whatever the consequences may be, since it is needed for our war program, let us build the dam." They are good, patriotic people, and they want to do whatever is necessary to win the war.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. KEFAUVER. Mr. Chairman, whatever anyone may say about the Tennessee Valley Authority, I think it will be agreed that of all the agencies working in the defense program, whether they be public agencies or private agencies, there is no agency that has more consistently met its schedule or has been ahead of its

schedule. Likewise, I do not think any similar organization has a better engineering staff working in the defense program and in its construction program than the engineering staff of the Tennessee Valley Authority.

This dam will not be a great asset to the State of Tennessee, and we are not selfish in supporting this section of the bill. I guess it will really be a liability to the State of Tennessee in the long run. But we are for it because it is necessary for defense, it is necessary for our war program, the Chief Executive says it is necessary, and the people of Tennessee are for it almost unanimously on that basis.

Mr. Chairman, I would like to refer to letter of November 17 from the President of the United States to the gentleman from Missouri [Mr. CANNON], chairman of the Appropriations Committee. The gentleman said he was going to include this letter in his remarks. Our Chief Executive, the President of the United States, has insisted again, again, and again that this dam had to be built for our war effort. He is supported by engineering experts.

I also ask unanimous consent to include in my remarks the letter dated October 7, 1941, to the gentleman from Missouri [Mr. CANNON] signed by Mr. Olds, Chairman of the Federal Power Commission, also letter dated November 17, 1941, to the distinguished gentleman from Missouri [Mr. CANNON] signed by William L. Batt.

The CHAIRMAN. The Chair will advise the gentleman that he may have permission to extend his own remarks in the RECORD, but he will have to secure permission in the House to insert other documents.

[Here the gavel fell.]

DOUGLAS DAM

Mr. CANNON of Missouri. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi [Mr. RANKIN].

(Mr. RANKIN of Mississippi asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. RANKIN of Mississippi. Mr. Chairman, shortly after the provision for the Douglas Dam was turned down in the Senate, I started the drive to get that item included in the next appropriation bill. I introduced a bill for that purpose. I did not offer an amendment to the bill at that time for the simple reason it was understood that the item would be inserted in the Senate.

This provision is absolutely necessary from the standpoint of national defense. We are going to need this power, and we can get it by 1943..

Let me call your attention to the fact that we face a very serious situation with reference to our aluminum production. If our bauxite supplies from South America should be cut off we should not have 2 years' supply of high-grade bauxite in the United States.

There are large deposits of low-grade bauxite in northeastern Mississippi and northern Alabama, as I said on yesterday, that are high in both iron and silica, but there is a process by which the baux-

ite can be developed and the aluminum extracted and used for the manufacture of airplanes. However, it will take a great deal of electric power, which renders the construction of this dam that much more necessary.

We realize today that the greatest fighting weapon of this war is the airplane. I wish we could send General MacArthur and his brave men in the Philippines today enough airplanes, enough bombers, and pursuit planes, to blast the Japanese off the face of the earth. I wish it were possible, and God knows it must be possible, to send enough planes to Australia to keep the white people of Australia and New Zealand from destruction or humiliation at the hands of the Japanese. We must not permit, and we will not permit, those yellow reprobates to destroy the people of Australia and New Zealand.

Whenever you see in the paper that the Japs have invaded Australia and are murdering white men, women, and children, you will see the American people rise to a feeling of indignation never witnessed in this country before. It is necessary for us to give every plane possible to the people of Australia now. They are our kind of folk; they are our flesh and blood. They are fighting this race war, this battle of civilization against the brutal Japanese, known as the yellow peril.

I want to do everything that is necessary to give them planes now, and to provide them with airplanes in the future in order that we may win this war, restore the peace of the world, and then guarantee to the world that such a war never occurs again.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I yield 6 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, in considering this bill and its purpose, to build up the Army Air Corps, I think it would possibly be wise for the Members of the House to look a few background facts in the face. When men first started fighting with clubs, and from then on down to the time when they developed the catapult, projectile weapons, battle-ships, submarines, and the use of cavalry in its various forms, tanks, and so forth, we find that history shows that the development of certain implements and the development of the manner in which they were used were responsible for victory in all wars throughout history.

This war has indicated to us that the airplane is not only going to be the answer in our case but the answer made by Christian people everywhere to the attack upon their liberties by the Godless.

There have been all kinds of airplanes. The kind of airplanes we need most, in my candid opinion, are fast, long-range, heavy weight-carrying, high-flying bombers and transports, to supplement the combat planes that are being built.

May I ask the chairman of the committee this question: Does this bill provide for continued research and the development of planes of greater potential range, speed, weight-carrying capabilities, and so forth?

Mr. CANNON of Missouri. I may say to the gentleman that ample provision for research was made in the regular supply bill for this year and one of the supplementary bills. All the money that can be used for that purpose has been provided. Therefore, no funds are carried in this bill for the purpose.

Mr. KLEBERG. I thank the gentleman.

I call your attention to the situation that confronts us now. We are dealing with facts and following events on down to date. Before December 7, when this country was the victim of an unparalleled and utterly unprovoked attack of incredible savagery, we had a problem here which had to do primarily with the defense of the sanctity of our soil and the lives of our people. We had as a fundamental problem the prevention of the location of operating bases on the Western Hemisphere by foreign powers, and the implementation of many far-flung bases where troops and naval units were located. The quality of our defenses at that time had not been tested.

We are witnessing now the savage and destructive onslaught on one of the greatest soldiers that ever served in the American uniform. We are witnessing as valiant and as effective a defense as has ever been made in history against imponderable odds in one of these far-flung posts. The submarine-infested waters and the lack of properly equipped aircraft to transport troops and supplies with speed over there are our major frailty. Aircraft have been designed such as would enable us to transport the entire manpower that could be handled by our best marine transportation. For instance, it would take a marine transport 6½ days to cover a distance of 2,500 miles, but it would take aircraft, aircraft that is already designed and that will be produced under this bill, 6½ hours to deliver the same manpower that distance.

Mr. Chairman, the quicker we get busy on the production under this bill of the kind of aircraft we must have, the quicker we recognize the absolute and utterly destructive speed of obsolescence which occurs on warcraft, which was the basis of my question with reference to research, the quicker we know our ability to produce better, faster, long-flying, heavier-weight-carrying and more effective aircraft, and the quicker we do produce them, the sooner we shall win this war.

Mr. Chairman, I am for this bill.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask that the Clerk read the bill for amendment.

The Clerk read as follows:

Air Corps, Army: For Air Corps, Army, \$9,041,373.00.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to pay a brief tribute to the contribution that is being made to our fight by the gallant forces of the Chinese. I feel that some of the remarks that have been made during the debate could be misconstrued, and for that reason I want to call attention to the fact that the Chinese have not only

put up a real fight in this war where they were the first victims of aggression, but they are today an important element in the war, and it is important that we cooperate with them.

If we are to attack the Japanese successfully by air forces, it means we must have land bases. At the present time our only chance of getting continental land bases to proceed against the Japanese rests upon the cooperation of the Chinese. From my district there is a young man now who is flying with some antiquated airplanes protecting the Burma Road. His name is Ralph Gunvordahl, of Burke, S. Dak. The other day we got a letter from his brother who had heard from him that on his first trip Ralph got one Jap plane and on Christmas Day he got five. He is flying with an antiquated airplane judged by modern standards. I am hoping that this appropriation of \$9,000,000,000 for the Air Corps will help to give him and others who are with him protecting the Burma Road some modern airplanes, because this is essential to the successful prosecution of the war and the maintenance of the Chinese who constitute the greatest source of manpower in the present conflict.

(Mr. CASE of South Dakota asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. EDWIN ARTHUR HALL, Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWIN ARTHUR HALL: Page 2, lines 23 and 24, after the word "Army", strike out "\$9,041,373,090" and insert in lieu thereof "\$9,046,373,090."

Mr. EDWIN ARTHUR HALL, Mr. Chairman, in submitting this amendment which calls for an increase of \$5,000,000 for the Air Corps, I am posing a question before the House. It is my specific purpose in submitting this amendment to bring into the country some 10,000 Chinese aviators for their training under American supervision so that they may do their part in buoying and bolstering the comparatively weak army of Chiang Kai-shek. Mother China is eternal. Ever since a few centuries before Christ, when the Huns swept down from the eastern steppes destroying and sweeping the people and the country before them, China has been prostrated by foreign foes, has been invaded and has met with a great deal of opposition. After the Huns came the Tatars on their shaggy ponies and trod the rice, which is the staff of life in China, under their feet. In quick succession thereafter, down through the centuries, has come invasion after invasion of Chinese soil. The teeming population has been exploited, massacred, and submitted to all kinds of debauchery. Yet in the face of all these obstacles and obstructions, Mother China has remained eternal and has kept on throughout the ages as a significant and a positive force of freedom throughout the world.

At this time I feel it is necessary to pose this question before the House, because it is the first time I have heard of a suggestion to utilize these lease-lend implements which have been placed at the disposal of the Chinese.

Gen. Chiang Kai-shek is putting on one of the most magnificent fights the world has ever seen. Whatever might be my personal attitude or opinion of certain others of the peoples who are engaged in this fight and the brunt of the burden they are bearing that must be America's, I want to pay the greatest tribute I possibly can to Gen. Chiang Kai-shek and his Chinese armies. He is conducting a wonderful fight. I have talked with various officials in the Chinese Embassy and have been unable to find out the exact strength of the Chinese air force, but of one thing I was assured, there is a lack of regularly trained men in that air force.

If, as the President says, lease-lend funds and implements are being placed in the hands of some 32 nations, of which China is one, then I feel that since China, which has represented a quicksand for people after people throughout the centuries, is putting up such a supreme fight to maintain her nationality and her prestige, the House should consider the training of at least 10,000 Chinese pilots, and I have introduced a bill which, if the House will accept this amendment, will clarify each and every objection that might be raised. It provides for the bringing in of these Chinese pilots and also provides for their training. This \$5,000,000 increase which I propose is simply to start this program, so that China, the eternal mother Asia, will be able to keep on intact and in her great prowess throughout the ages. In the words of Lao-Tse, the Chinese prophet who lived some few centuries before Christ, I describe the Chinese Nation in these words:

There is nothing in the world weaker than water, but with its ability to attack that which is hard and strong, that which is unrelenting, there is nothing that can take its place.

Mr. Chairman, I feel at this time that to take the burdens off the shoulders of the American air force, which are now even in this hour en route to the east and far Pacific, we can do no better thing than to place our funds and resources and our knowledge of training in aircraft and aeronautics at the disposal of those people who have shown throughout the ages that they are indomitable and impervious to attack. I ask that the House give every consideration to this amendment.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CANNON of Missouri. Mr. Chairman, I appreciate the attitude of the gentleman from New York [Mr. EDWIN ARTHUR HALL] and approve most heartily the tribute that he pays our Chinese allies. I can understand his attitude in offering this amendment. It has a very laudable purpose, but the amendment as drawn cannot accomplish the objective toward which it is directed. This bill is for the manufacture of arms and equipment and there is no provision here for personnel or for training of personnel, so even if the amendment were agreed to, not a dollar could be expended under it. I trust the amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The Clerk read as follows:

Tennessee Valley Authority Fund: For an additional amount for the Tennessee Valley Authority fund, fiscal year 1942, for (1) the construction of a hydroelectric project on the French Broad River near Dandridge, Tenn., (2) the purchase or building of transmission facilities needed to connect this project to the existing transmission system of the Authority, and (3) the acquisition of land necessary for and the relocation of highways in connection with the accomplishment of the above project; \$30,000,000, to be available for the administrative objects of expenditure and subject to the conditions specified under this heading in the Independent Offices Appropriation Act, 1942.

Mr. LAMBERTSON rose.

Mr. CANNON of Missouri. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CANNON of Missouri: Page 4, after line 9, insert:

"DEPARTMENT OF STATE

"Transportation, Foreign Service: For an additional amount for Transportation, Foreign Service, fiscal year 1942, including the objects specified under this head in the Department of State Appropriation Act, 1942, \$800,000."

Mr. CANNON of Missouri. Mr. Chairman, the purpose of this amendment is to make provision for a deficiency which was not foreseen, and which has occurred as the result of the declaration of war. We have in all parts of Europe and Asia diplomatic and consular representatives and attachés who must be brought home, together with their families and clerks and office staffs. They have to be shifted as a result of a change in the status brought about by the declaration of war. In the original appropriation there was something in excess of \$700,000 in this fund—an amount which would have sufficed under normal conditions, but under recent developments there have been such heavy expenditures that only about \$17,000 remains, which is insufficient to carry the Service beyond the 1st of the month. I offer this amendment to make provision for the unexpected deficiency.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

Mr. LAMBERTSON. Mr. Chairman, I have an amendment at the desk.

The Clerk read as follows:

Amendment offered by Mr. LAMBERTSON: Page 3, line 22, strike out lines 22, page 3, to and including line 9 on page 4.

Mr. CANNON of Missouri. Mr. Chairman, I make the point of order that the amendment comes too late. We have passed that paragraph. We have adopted an amendment since the paragraph was read and it is no longer subject to amendment.

Mr. LAMBERTSON. Mr. Chairman, I was on my feet standing alone before the gentleman from Missouri rose. The Chair recognized the gentleman from Missouri, but I had the floor ahead of him.

Mr. CASE of South Dakota. Mr. Chairman, it is my impression that the gentleman from Kansas was on his feet, and, seeing that the chairman of the subcommittee rose, he deferred to him to offer an amendment first.

The CHAIRMAN. The chairman of the committee was recognized by the Chair. The Chair asks the gentleman from Missouri if he insists upon his point of order.

Mr. CANNON of Missouri. Mr. Chairman, I regret that I must insist on the point of order.

Mr. TABER. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. Certainly.

Mr. TABER. The gentleman from Kansas was on his feet asking for recognition at the time and on top of that the amendment was offered by the gentleman from Missouri, but that would not preclude this amendment from being offered. This is an amendment to strike out the previous paragraph. The amendment that the gentleman from Missouri [Mr. CANNON], added was an amendment adding an additional paragraph.

Mr. CANNON of Missouri. Mr. Chairman, the gentleman did not address the Chair at all. He at no time addressed the Chair until after the clerk had concluded the reading of the new paragraph and the committee had adopted it.

Mr. LAMBERTSON. I beg your pardon; I did. I did stand and I did address the Chair. I was standing before he ever started to get up.

The CHAIRMAN. The Chair was aware of the fact that the gentleman from Kansas [Mr. LAMBERTSON] was on his feet, and the Chair would like to overrule the point of order, but feels that technically the point of order is well taken, and it being insisted upon by the chairman of the Committee on Appropriations, the Chair is constrained to sustain the point of order.

Mr. TABER. Mr. Chairman, I appeal from the decision of the Chair.

The CHAIRMAN. The question is, Shall the decision of the Chair stand as the judgment of the Committee?

The question was taken; and on a division (demanded by Mr. TABER) there were ayes 75 and noes 62.

Mr. TABER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. CANNON of Missouri and Mr. TABER to act as tellers.

The Committee again divided, and the tellers reported there were ayes 126 and noes 89.

So the decision of the Chair was sustained.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to take this opportunity to address an appeal to the chairman of the subcommittee on the action just taken. It seems to me it would be unfortunate to have these proceedings go down in the Record and have them show that an amendment that was sought to be offered by the gentleman from Kansas [Mr. LAMBERTSON] was shut out in this manner.

As I think was generally recognized, the gentleman from Kansas [Mr. LAMBERTSON] intended to offer an amendment to the paragraph dealing with the Tennessee Valley Authority, which proposes funds for the Douglas Dam. Personally I had intended to vote against the amendment which the gentleman from Kansas proposed to offer. I am willing to accept the recommendation of the production officials that this is needed in the expanding war effort and, regardless of what my previous position had been, I would have voted against the Lambertson amendment. But it seems to me extremely unfortunate that no opportunity was given at all for consideration of the Lambertson amendment. The fact is the gentleman from Kansas [Mr. LAMBERTSON], a member of the appropriations subcommittee handling this bill, was on his feet for several seconds before the chairman of the committee. The Chair stated that he saw the gentleman from Kansas on his feet, but that the chairman of the committee, when he arose, of course, was entitled to prior recognition.

I feel that the Committee of the Whole just now did not understand what they were voting on, in the appeal from the decision of the Chair. Many Members came in from the cloakrooms. Certainly the gentleman from Kansas, as a member of the Committee on Appropriations, was entitled to prior recognition if he was offering an amendment to the paragraph which had just been read. It was impossible for him to know that the chairman of the subcommittee was going to offer his amendment in the form of a new paragraph, which, of course, would foreclose debate on the preceding paragraph. The gentleman from Kansas thought that the gentleman from Missouri, chairman of the subcommittee, was offering an amendment to the same paragraph that he proposed to amend, and consequently deferred to him and did not insist upon his right of recognition.

It seems to me that the happy solution of the situation would be for the chairman of the subcommittee to ask to vacate the proceedings and give the gentleman from Kansas an opportunity to offer his amendment and let it be considered. It probably would be voted down, but at least the record would be better for this as a deliberative body.

I make that appeal to the chairman of the subcommittee, realizing his sense of fairness and also recognizing his knowledge of the parliamentary situation involved.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I always listen with attention and also with approval, when the situation permits, to any suggestion of my good friend from South Dakota [Mr. CASE], but as a matter of fact, from every point of view the decision of the Chairman was well taken.

It is true, as has been stated, that the gentleman did rise to his feet, but he at no time asked for recognition.

As far as the amendment which the Chairman offered was concerned, it was announced and agreed upon in the com-

mittee this morning that this amendment should be offered as a committee amendment. All members of the committee were apprised as to when it would be offered and where it would be offered, and all Members must have known that when the Chairman rose to offer it, it was to be offered as a new paragraph. Of course, in view of the fact that no request had been made for recognition, the Chairman had no alternative and could not have decided otherwise.

Mr. LAMBERTSON. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Kansas rise?

Mr. LAMBERTSON. To strike out the last 2 words.

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes.

Mr. LAMBERTSON. Mr. Chairman, I am not a parliamentarian, neither do I claim to be a power authority, but the chairman knew I was standing and knew I was seeking recognition. If there was any misunderstanding about it, it is strange. He knew I had risen for just one purpose. The chairman of the subcommittee knew that my only purpose was to offer the amendment he knew I was going to offer.

Mr. CANNON of Missouri. I did not realize the gentleman had risen.

Mr. LAMBERTSON. Mr. Chairman, I do not yield at all.

The point is typical of exactly what I was going to say about this \$30,000,000 Douglas Dam. A committee of 12, of which I happened to be a member, considered this thing at length, back at the time we had before us the other deficiency bill, and the vote against this dam was 11 to 1, the chairman of the subcommittee being the only one who had been sold on it. That is how it stood. In lieu of it, over in the Senate they put in two other dams. That is the point I was going to make. They got the two other dams, but they are not proposing to take them out. They come back here and want the third one with not one word in the hearings—you cannot find one word referred to as testimony that this dam should be put in this bill. A lot of expert power leaders from the South have made speeches, but there is not one line of evidence in the hearings in favor of this \$30,000,000 expenditure. They wiggled this thirty million in without testimony and now they want to wiggle it out by sharp parliamentary practice. That is what I am talking about, the tactics of the gentleman from Missouri. It is just like this little dictatorship, or big dictatorship that brings this bill back and keeps the other two dams, tries to cut off debate and put it over.

This is what we have got to fear in this war, giving too much power where it is not necessary for national defense. We have got to watch out about communism here while we are accepting Russia as an ally, there. This, however, is a typical illustration of what happened on this item in this bill, with only one being for it, without any findings in the other hearings of any justification for it, yet it is put back in here through pressure from

a well-known source. He will not be whipped. The only testimony we had on it here was that the Douglas Dam itself would not amount to four-tenths of 1 percent of the power developed in the United States. They want to build some kind of an experiment plant in Birmingham, the T. V. A. is spreading itself out somewhat similar to the Western Hemisphere in its new definition. The fact that they want to extend their authority into Kentucky shows they have quite a reserve.

Here you have the tactics that are to be used, as illustrated a minute ago. I claim that he knew, this chairman, that I stood up for recognition. This chairman knew that I was seeking recognition for this particular purpose, for it has been talked around here all the afternoon that I was going to offer this amendment. I did not hope particularly to have it win but I wanted to bring to your attention the fact that two other dams were provided for in lieu of the Douglas Dam; yet they come back and put the Douglas Dam in.

The President, in his speech on January 5, said that he and Churchill understood each other. I am wondering whether there are not some distinguished gentlemen around Capitol Hill who have this winter in all this discussion about these dams understood each other and made us the goats. They get their dams out of this thing with not one line in that little book of hearings to justify them.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, my good friend from Kansas and I have on so many times battled shoulder to shoulder as members of the committee and the subcommittee that it is a matter of especial regret that in his enthusiasm he mistakes the situation.

I did not know he was going to offer this amendment. He had not told me; I had never heard of it. I did not see the gentleman when he rose. I had my mind on the amendment I was offering. From every point of view the decision of the Chair is unquestionably correct; but the gentleman from Kansas has raised the merits of the question.

Mr. Chairman, the issue in this war depends upon planes. We must control the air. There is no hope of our winning the war, there is no hope of our defending America, unless we can control the air. To control the air we must produce more airplanes than the enemy. This is the whole sum and substance of the matter. It is a battle of production. We cannot make a single plane without aluminum and we cannot make a pound of aluminum without power. Every authority in the Government, without a dissenting voice, who appeared before this committee in the hearings which were exhaustive upon the first estimates submitted on this item—every man who has appeared from any branch of the service has told us that even with the Douglas Dam and the two dams to which the gentleman from Kansas referred, there will still be a shortage of power in 1943. Exerting every resource, utilizing

every possible dam site we can utilize by 1943, we still will not be able to produce sufficient power to produce the aluminum needed to give us the number of airplanes they ask us to produce to win this war.

Mr. MAY. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. MAY. I wonder if the gentleman agrees with me that the witnesses who testified that they would have a shortage of power in 1943 may have had in mind the fact they have just gone through a 5-month drought and that the reason they have a scarcity of power now is on account of lack of water down in the Tennessee Valley?

Mr. CANNON of Missouri. Not a single engineer appeared before us, not a single witness appeared before us who cited the report of an engineer against the proposed dam, and not one mentioned the situation to which the gentleman refers.

We had lobbyists and lawyers before us in behalf of interests who were opposed to the dam, but no engineers. No individual came before us to cite the report of any engineer in opposition to this appropriation. The report of every engineer presented to the committee, the report of every authority, civil, military, and naval, was that we must have this dam; that its construction is essential to national defense.

Mr. Chairman, on the other side General MacArthur is fighting with his back to the wall. Down in Singapore General Wavell is making a last desperate stand. They are crying for airplanes. Today newspapers report that Australia is appealing to the President for planes. This bill proposes to give them airplanes. I am surprised that any Member would quibble on this item in time of desperate national need which confront us today.

Mr. Chairman, I ask that the Clerk read.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am very much surprised that the chairman of the Committee on Appropriations and the Chairman of the Whole Committee would lend himself to parliamentary trickery to prevent honest action by the Committee upon an item for the T. V. A. that is absolutely not needed and for which there is no justification whatever in the hearings. I am a little bit surprised that the gentleman from Missouri [Mr. CANNON] talks about the need for speed on this bill and the need of getting it to the Senate this afternoon when I am confronted with the rumor that he intends to use time for a yea-and-nay vote when the bill reaches the House, when he has taken up three-quarters of an hour of the time of the Committee with the parliamentary tactics that he has engaged in thus far. That is just the reverse of a plea for unity. It is a plea for disunity. I hope there may be on the part of the majority a realization that they must be fair, that they must let these things that are not defense items but antidefense items be voted on fairly and discussed fairly.

DOUGLAS DAM

Mr. RANKIN of Mississippi. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I was not in the Chamber when the gentleman from Kansas [Mr. LAMBERTSON] offered his amendment, but I do know the necessity for this provision in the bill.

If the Members on the other side of the aisle who are so viciously opposed to the Tennessee Valley Authority are willing to sabotage this dam now, they have a right to attempt it on a motion to recommit. This is the Douglas Dam that I have been contending for.

The gentleman from Kansas attacked the distinguished chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON] because of the fact that when this measure was before the committee the first time, when they had ample hearings, he says the gentleman from Missouri [Mr. CANNON] was the only one in favor of reporting it out; therefore he says we ought to throw it out now—or words to that effect.

The gentleman from Kansas must remember that since this matter was first before the committee the 7th of December 1941 has come and gone. He must remember that our Navy at Pearl Harbor has been disastrously attacked since this measure was formerly before the committee. He must remember that we are now at war. He must remember the fact that General MacArthur and those brave Americans in the Philippines are begging for help and asking us to send them those planes that are to be replaced by planes manufactured as a result of this legislation, and send them now. He must remember that those men at Singapore, who are also fighting our battle, have their backs to the wall and that every man who knows anything about it tells us that what they need is planes, more planes, and more planes.

In order to get those planes we are going to have to develop the low-grade bauxite in the Southern States in order to produce the amount of aluminum necessary to make those planes, or to replace the planes we must send them now. The picture has entirely changed since this matter was before the Appropriations Committee a few months ago or a few weeks ago.

But even then many members of the Committee thought it would be inserted in the Senate; but that was not done, unfortunately.

When it came before the Appropriations Committee they wisely placed it in this bill. If the gentleman from Kansas [Mr. LAMBERTSON] and the gentleman from New York [Mr. TABER] are so displeased with the development of the Tennessee Valley Authority that they want to vote against this appropriation and cripple our defense efforts at this time, they may do so on a motion to recommit, which they have a right to offer at the proper time.

Mr. CANNON of Missouri. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto do now close.

Mr. MAY. Mr. Chairman, I hope the gentleman from Missouri will not insist upon that motion. I would like to be heard for 5 minutes on the question.

Mr. CANNON of Missouri. Mr. Chairman, I insist on my motion,

Mr. MICHENER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. Had not the Chair recognized the gentleman from Illinois [Mr. DIRKSEN], a member of the committee? No one has spoken in opposition to the amendment.

The CHAIRMAN. The Chair had not recognized the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I ask for recognition.

The CHAIRMAN. The question is on the motion offered by the gentleman from Missouri [Mr. CANNON].

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 67, noes 86.

So the motion was rejected.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a situation of this kind is always distressing, and I hope I can clarify the matter so that the spleen that may have developed will vanish into thin air. First of all, I have great affection and esteem for the chairman of the committee and the chairman of this subcommittee. I do him no injustice, I think, if I relate the facts, because I was in attendance during all of the proceedings.

In the first place, I listened to the gentleman from New York [Mr. EDWIN ARTHUR HALL] offer his amendment and make his statement. I watched the gentleman from Kansas as he stood on his feet, not necessarily seeking recognition but indicating, at least, that he was interested in that part of the bill where this amendment could be properly offered.

We were not advised in the full committee this morning where the amendment would be offered that was offered by the chairman of the committee. As a matter of fact, half the committee members were out of the door of the Appropriations Committee room this morning when that matter was discussed. I was on my feet and moving in the direction of the door. It was adjusted as a matter of colloquy between the gentleman from Missouri [Mr. CANNON] and the gentleman from New York [Mr. TABER].

All the rhetorical vehemence and all the eloquence does not obscure the fact that we are not dealing with a substantive matter here, it is just a matter of procedure. In all fairness, I think the gentleman from Kansas ought to be recognized. I say fairly I shall probably not support that amendment, but at least he ought to have been recognized, because every member of the subcommittee, and every member of the Committee on Appropriations, has known for weeks that that matter has been in controversy.

I do not mind relating to the House that I sought a little while ago to get my esteemed friend the chairman of the committee to vacate the proceedings and ask unanimous consent to go back. I think even now he ought to do it, as the chairman of the committee, so that temper will vanish and we will approach this problem with good grace, and the gentle-

man from Kansas will have an opportunity to offer his amendment.

Mr. Chairman, I do beseech you that you vacate those proceedings and let the gentleman from Kansas have a chance to submit his amendment in the interest of the integrity of the proceedings. What a terrible thing it would be if we insisted too closely on the rule that every word and every line of every appropriation bill be read at length from the title to the last period. If we must insist on it, obviously it is going to obstruct the legislative processes of this body. I hope the gentleman from Missouri will make that unanimous-consent request.

Mr. MAY. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I say now that the time will never come while I am chairman of the House Committee on Military Affairs that I shall insist on a motion to close debate as against my distinguished colleague and friend from Missouri.

Most of the Members of the House who have been here as long as I have know that I have convictions on the question of the Tennessee Valley Authority. If there is anybody here that does not know that I am against it and its program, he is either dumb or deaf. I have never hesitated at any time and I never expect to hesitate to state my position in opposition to it. That is based upon the fundamental belief that it is socialistic, un-American, and unsound in its activities, now rapidly becoming Nation-wide.

I was on the House Committee on Military Affairs in 1931 and I have been on it every day it has existed since then. I am now chairman of that committee, as you all know. In 1933 the first bill to create the Authority was before that committee. The only objective of that bill was to utilize the nitrate plants at Muscle Shoals, Ala., as national-defense instrumentalities, and to produce fertilizer for the southern farmers. We authorized a bond issue of \$50,000,000, and it was the evidence then and the belief of the Congress that that was all that would ever be needed; yet we have reached today appropriations of more than \$600,000,000 in a campaign to destroy the private industry of the country and the taxpaying people of our communities.

Today in the Kentucky Legislature there is the most vicious lobby that ever was fostered in any State, being paid out of the funds of the Tennessee Valley Authority, in an effort to override the will of the people of Kentucky and defy a court decision. No, these bureaucrats do not propose to be bound by the decision of any State court or tribunal. I have issued a statement on it and I am sending a copy of it to the Governor of my State.

I am eternally and everlastingly opposed to the destruction of the fundamentals of this Government and of the rights of a free people. I am still a believer in the sovereignty of the States and the principles of local self-government. I am going along with the president of the University of Tennessee at Knoxville, who said in a great statement, based upon

fundamental principles, that he approached this subject and addressed himself to the question as a life-long resident of the State of Tennessee, thoroughly in accord with our defense efforts, and as a friend and supporter of T. V. A. and its great program. He said it was unsound to build the Douglas Dam and destroy 32,000 acres of fertile lands, and put out of employment 2,000 workers in canneries in that great area. Yet in the face of all of that, and the fact that the committee once turned it down, here we are today with \$136,000,000 in this bill for its use and benefit, without strings on it, except limited to certain projects, all of which have been selected and agreed upon by the T. V. A., without the approval of Congress.

Last year we had a drought of more than 4 months. I took photographs of the Norris Dam which make it look like the Rock of Gibraltar, with not a drop of water pouring through it. The penstocks were as dry as the Volstead Act and the dynamos as silent as the tomb. That \$36,000,000 white elephant stands there to haunt the unemployed coal diggers of my district and those other 400,000 mine workers in some 30 States of this Union. Everybody who has common sense, and most of us have that, knows that you can take steam power produced by the product of the great coal mines, and which gives steady employment to the people, and obtain an unchanging and a steady supply of power, whereas if you have to rely on the rain, God Almighty will take care of that, and not the American Congress.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. JENKINS of Ohio. And the gentleman also knows that it is a fact that a steam plant can be constructed in much shorter time than a dam like this can be built.

Mr. MAY. That is not all. They will never get this dam in until this war is over, and they can produce steam power with 0.65 of a pound of coal per kilowatt, which is the equivalent of one-half the cost of producing it by hydroelectricity, and a steam plant of equal capacity can be built for less than one-fourth the cost of this hydro plant, and not destroy a single dollar's worth of anybody's property.

(Mr. MAY asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto do now close.

Mr. McLEAN. I object, Mr. Chairman.

Mr. CANNON of Missouri. How much time does the gentleman desire?

Mr. McLEAN. None at all.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. If there is no one who desires time—

Mr. McLEAN. Mr. Chairman, I will use the 5 minutes.

Mr. Chairman, I am serious in my resistance to the adoption of this provision. I am very serious in my objection to the Tennessee Valley Authority. I am serious because of the character of the procedure which has always marked its every activity. I was a member of the Committee on Military Affairs at the time of the adoption of the Tennessee Valley Act. That act provided that there should be made surveys and plans to be used by Congress and the several States in guiding and controlling the extent, sequence, and nature of the development. Such plans were to be presented to Congress. Such plans or program have never been presented to Congress, but shortly after its creation the Tennessee Valley Authority caused to be introduced and referred to the Committee on Military Affairs a bill prepared by it which would expand its jurisdiction and confer upon it powers never contemplated under our system of government.

As the hearings on the bill progressed, the committee found hidden in it a number of things we thought we should look into, which we did. A number of surprising activities were brought to light, and severe public criticism resulted. After this there was never a single bill that came before the Committee on Military Affairs for the development of the Tennessee Valley Authority. Why? The answer was given to the President of the United States in his personal investigation of the affairs of the Tennessee Valley Authority. This was the first time in my recollection that a President of the United States has ever been called upon to personally conduct an investigation of this kind into one of his agencies. The testimony was given full publicity in the press. I read in that testimony that the Tennessee Valley Authority told the President that the reason it avoided the Committee on Military Affairs of the House of Representatives was because they knew that the committee which had created it, the committee that was supposedly shaping its program, was antagonistic. Thereafter all of their authorizations came out of the Committee on Appropriations.

Mr. RANKIN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. McLEAN. No. If you will investigate the legislation on this subject, you will find that the thing has been built up as a sort of jigsaw puzzle. Never has there been any broad outline; never has there been anything in their report as to what they intended to do. They have never carried out half of the things they promised to do, but the jigsaw puzzle has been built by provisions in appropriation acts, where every rule of orderly, legislative procedure has been violated by legislating through the medium of an appropriation bill. This is the way they have built this great enterprise down in Tennessee, piece by piece, dollar by dollar, until they have either spent or have obligated the American people for upward of a billion dollars.

There has been complaint that we have not been able to determine what it costs to produce a kilowatt of electricity in the Tennessee Valley. Mr. David Lilienthal—and as a member of the Authority he should know—before the Committee on Appropriations, about a year and a half ago, was asked how much it was costing, and whether there was any program under way whereby it could be determined how much it costs to produce electricity, how much for the program of navigation, and how much was being spent for flood control. He said that the Tennessee Valley Authority was making a study. As a matter of fact, making a study is the best thing the Tennessee Valley Authority does. If they ever get into a jam and they have not the answer to an inquiry, the answer is made, "We are studying that proposition," or "We are making a study of that." For 2 years, according to Mr. Lilienthal, they have been making a study to provide some sort of balance sheet which the average American taxpayer or the average American businessman can understand. These are not my words. If you will look at the testimony before the Committee on Appropriations, you will find there Mr. Lilienthal's admission of the need of a balance sheet which an average businessman can understand, and his promise to provide it.

[Here the gavel fell.]

(Mr. McLEAN asked and was given permission to revise and extend his own remarks in the RECORD.)

The Clerk read as follows:

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word. This bill presents an excellent opportunity to show to the Members of the House what I seek in offering the legislation to exempt national-defense expenditures from State sales taxes in the various States. Outside of the small amount of money appropriated for the Secretary of War's office and for defense aid in title I, we find nearly \$12,000,000,000 is being appropriated to buy supplies for national-defense purposes. Your various departments do business only with the parent corporation, known as the main contractor. The

Government does not want to do business with subcontractors. They make the contract with the parent corporation, and the parent corporation in turn buys its materials and supplies of all kinds that go into the manufacture of the articles that are eventually used to assemble the finished product. Under a decision of the Supreme Court in the Alabama case, the sales taxes of the various States can be collected from the subcontractor who supplies the materials to make the finished product. There is no parent corporation that does not spend a tremendous amount of money out of the contract among small businessmen, manufacturers of parts, and suppliers of the material. Now, remember, all of the moneys paid the subcontractors are subject to the sales tax when that money is paid by the main contractor. Exemption under the Constitution only applies when the Government pays direct and the parts or material are delivered to the Government.

Just look at the amount of money that will be saved, that we can put in ships, planes, tanks, and other kinds of materials, if the Congress will pass a law exempting national-defense expenditures from the sales tax in the various States.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Yes.

Mr. RICH. The States, as a rule, make laws in which they are interested, in trying to get money to conduct the affairs of the State. Is not that the fact?

Mr. COCHRAN. Certainly.

Mr. RICH. Then if the Federal Government is going to interfere with the rights of the States, how are they going to collect their taxes, and how are they going to operate? The Federal Government is interfering too much with State rights, and not only that, but it is interfering too much with the rights of the people in this country.

Mr. COCHRAN. Wait a moment. Do not use all my time. I will answer the gentleman. Whom is this war being fought for? Yes; the United States; but the 48 States compose the United States and it is their war. Where does the United States get its money but from the 48 States. Yes; we are fighting this war for the 48 States of the Union, which make up the United States of America. Why cannot the States do their part?

Now, another answer is—and I take my own State—as a result of expenditures by those engaged in war work in the various plants in the State of Missouri—defense work, mind you—the sales taxes in that State have jumped up during the last year \$10,000,000 above what they were in 1940, due to the expenditures of war workers for necessities of life. That is enough for the State to be getting out of this national-defense plan. Let us devote this money to buying planes, tanks, and ships which will win this war, and then we will save the 48 States of the Union.

Let us make the dollar go just as far as we possibly can in manufacturing that which is necessary. The more we can save the more tanks, planes, ammunition, and so forth, we can buy. This is

no little matter. It is going to run up in big money. Many of the States have not as yet tried to collect this tax. They are waiting to see what the Congress will do; but if Congress does not act, then all States will go after the tax, and remember this, the subcontractors who did not figure they would be required to pay sales taxes will be after the main contractor for the money, and in turn the main contractor will include the amount in his charges under the negotiated contract, which he has a perfect right to do. I come from a State that has a sales tax, but I am unwilling to have my State place a sales tax on defense expenditures.

If I was able, I would offer an amendment to this bill; but I realize such an amendment is not germane. Therefore, I hope the Ways and Means Committee will act on my bill, and if it does not, then I say the departments should deal direct with the subcontractors, which would under the Constitution prevent the collection of the sales tax. The easiest way is to pass legislation.

Mr. ROBSION of Kentucky. Mr. Chairman, I rise in opposition to the pro forma amendment. I do not rise to discuss the bill. This measure calls for something more than twelve and one-half billion dollars. I desire some information and I am addressing my inquiry to the chairman of the committee, the gentleman from Missouri [Mr. CANNON]. If this measure is finally written into law carrying the sums provided in the bill, what will be the total amount Congress has voted for national defense?

Mr. CANNON of Missouri. Mr. Chairman, there has been a lot put in evidence on the proposition, but it would amount in round numbers to approximately \$70,000,000,000. Then there are contract authorization in addition to that and I would estimate that the contract authorizations would amount to \$14,000,000,000, so that the actual appropriations and the contract authorizations would amount to \$84,000,000,000. It is a large price to pay, but it is a small price compared with the alternative presented to us.

Mr. ROBSION of Kentucky. I do not seek this information as a matter of criticism, because we are now in the war. We can and we must and we will win this war. With reference to the sum of \$84,000,000,000 of appropriation and contractual authorizations, has that sum been voted since July 1, 1940? Will the chairman advise us? Have those sums been voted since July 1, 1940, aggregating around \$84,000,000,000?

Mr. CANNON of Missouri. Since 1940; yes.

Mr. ROBSION of Kentucky. This bill calls for \$4,000,000,000 for lease lend. If this bill should be written into law, including this \$4,000,000,000, what will be the total amount that the Congress has voted for lend-lease aid to other countries?

Mr. CANNON of Missouri. Including the \$4,000,000,000 provided here, there is possible use of \$19,000,000,000 which we have voted. That does not mean that that amount has actually been trans-

mitted, but there would be possible, with this \$4,000,000,000 an amount of \$19,000,000,000. Of course, that is a part of the \$84,000,000,000.

Mr. ROBSION of Kentucky. Yes; that is part of the \$84,000,000,000. Now, how much of these lend-lease funds has been turned over to other countries?

Mr. CANNON of Missouri. The President is required under the lend-lease law to make a report to Congress at certain intervals. In the last report he made, which is now available in the document room, the whole matter is set out in detail.

Mr. ROBSION of Kentucky. Now, this bill is directed especially toward strengthening the Army Air Corps of the country.

Mr. CANNON of Missouri. Yes; this is entirely for the Army branch of the Air Corps. It does not provide for the naval branch of the Air Corps.

Mr. ROBSION of Kentucky. How much has our Government already expended for the Army Air Corps in providing planes and bombers?

Mr. CANNON of Missouri. Those figures are not available. I cannot answer the gentleman.

Mr. ROBSION of Kentucky. Mr. Chairman, the twelve and one-half billion carried in this bill is the largest sum ever carried in any bill considered by the American Congress. Nearly all of this great sum of money is to provide for facilities and manufacture of bombers, fighter, interceptor, and other planes and aircraft for the United States Army. It is most heartening indeed that the President and his associates in charge of our national defense program realize the tremendous importance of air power to our national defense.

The French and English at Dunkirk in June 1940; the British and Greeks in the Balkan War and on the island of Crete and our own country at Pearl Harbor and in the Philippines, and the British at Singapore and on the Malay Peninsula, and our Allies in the Dutch East Indies, have learned by bitter experience that even the most powerful battleships are not safe against air attack and an army must have air-power protection. It has taken our military and naval leaders and those in charge of our national defense a long time to learn this lesson.

The President announced, as we recall, early in June 1940 that this Nation could and would build 50,000 airplanes a year, but after more than 18 months and after the expenditure of billions of dollars we find that our output of airplanes to be only a fraction of what the President announced would be built, and according to the statement of the chairman of our committee, a large quantity of our planes have been sent to other countries and we find ourselves now without sufficient air power to protect our Navy and our armies.

General MacArthur and his brave men in the Philippine Islands find their position precarious because of the superior air power of the Japs. What it would mean to General MacArthur and his men if we had as many as a thousand bombers, fighter, interceptor, and pursuit planes in the Philippine Islands. This war cannot be won with ships and men. We must have the greatest air force in the world.

Many of us have been for more than 18 months urging that it was the first duty of the Congress to provide our own country with the best air force on the earth and such an air force that we could successfully defend the United States and her possessions and the Western Hemisphere, and we have urged that we have the best navy in the world and the best equipped army.

The President announced in a message a short time ago that this country would build 60,000 planes in 1942 and 125,000 in 1943. We must win superiority in the air. With our ships and armies properly protected with air power, we can then go forth with assurance to victory.

I have heretofore voted for every dollar that the President has requested of Congress for the defense of the United States, her possessions, and the Western Hemisphere, and it affords me a real pleasure to vote for this bill that has for its chief purpose the building up of a powerful air force, and no effort should be spared to give this Nation supremacy in the air. We have the resources and the constructive and organizing genius to accomplish this high purpose.

In view of all the billions that have been appropriated, it is most discouraging to read the report of the Truman committee of the Senate, made up entirely of those who have favored the foreign policy of the President, and to read the report of the Naval Affairs Committee of the House. Our defense program, according to these reports, has been held up in a very material sense by rackets, racketeers, politics, and profiteers.

One of these days the American people will rise up in their wrath and smite those who are responsible for these conditions. Our distinguished chairman of the Appropriations Committee of the House has just informed us that Congress has voted since July 1, 1940, including the amount in the present bill, the astronomical sum of \$84,000,000,000. Nineteen billion of this sum has been and is to be given away in credits and materials to foreign countries. This would leave sixty-five billion for our own defense program. What a sum of money this is. It is more than double the cost of the first World War up to the signing of the armistice. It is also approximately double the value of all of the farms of the United States, including the improvements thereon, as shown by the Federal census of 1940, and this great sum of money is only the beginning. The President has asked for fifty-six billion for our national defense for the coming fiscal year, and it will require a greater sum, we are told, for the next year, and our national debt will likely reach the enormous sum of one hundred and ten billion by June 30, 1943.

In order to win this war it is going to require all of the resources and the united efforts of all the American people. In fact, before this war is over it will touch every heart and every hearthstone in this Nation. The American people have a right to demand that no part of this great sum of money shall be lost or wasted or grafted. Rackets, racketeers, partisan politics, and profiteering should

find no place in this mighty effort to win the war.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to make this statement with reference to the gentleman from Missouri [Mr. COCHRAN] about taxes. The gentleman from Missouri thinks that the States should be prohibited from making taxes on sales in their own respective commonwealths. By the time we get through with taxes it is going to be necessary to have taxes to defray the expenses of the States, but where this Government is going to get the taxes to pay the bills that we are incurring is what worries me. It does not worry me half as much to know how to tax the people as it does to know how the people are going to pay the taxes that you put on them. The American people are going to see after the 15th of March when the tax bill we passed last year goes into effect, the greatest taxes that they have ever known in all the history of America. But the Ways and Means Committee is now busily engaged in working out a tax bill for \$9,000,000,000 more. When the American people get that tax bill, in addition to what they already have, their backs will begin to bend. The only thing I am afraid of is that before we get through their backs will be broken, because they will have to sacrifice as they have never sacrificed before.

As far as the State taxing systems are concerned, I do not believe it is the duty of the Federal Government to interfere with the States. That is the statement I wanted to make to the gentleman from Missouri [Mr. COCHRAN], when it comes to the States regulating their taxes because they are necessary, and we are going to have more of them as the days go by.

[Here the gavel fell.]

Mr. HARE. Mr. Chairman, I move to strike out the last two words.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield to me?

Mr. HARE. I yield.

Mr. CANNON of Missouri. I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HARE. Mr. Chairman, the gentleman from Missouri [Mr. COCHRAN] has raised a very important question. It is one that will require a great deal of thought and a great deal of study. On the other hand, the gentleman from Pennsylvania [Mr. RICH] has suggested an equally important inquiry, because I can see that the increased taxes we are having to pay for this war will impose an extremely heavy burden on the people of this country. Of course, we must devise ways and means for getting funds, wherever it is possible, with the least possible pain. Yet I can say, with the gentleman from Pennsylvania, when we begin to trespass upon the rights of the States in the collection of taxes, there is a possibility of destroying a morale among the States—a policy that may prove to be

dangerous to the future security of our Republic.

As a matter of fact, I can vision a time when, by a continued trespass upon the taxable resources of the States by the Federal Government, we may reach the point where they may feel that their prerogatives, insofar as levying taxation is involved, have been trespassed upon to such an extent that they, in their right and in their might under the Constitution, may rise up and say, "We will amend the Constitution and take away from the Federal Government the power that we vested when we passed the sixteenth amendment."

That would be a tragedy, but it is within the realm of conjecture.

Mr. Chairman, I now want to address myself a little to the discussion earlier this afternoon with reference to the provision in this bill for the T. V. A. I hold no brief for the T. V. A. As a matter of fact, I made up my mind last year I would vote for no more appropriations to build other power dams in that area until we were able to build a dam or two to develop more electric power in my section of the country, where the Federal Power Commission last year said, in effect, there was greater need for electric power than any other part of the country. But I am vitally interested in making the necessary preparations for promoting and successfully terminating this war. And I take this opportunity to say I have two interests prompting me in this program, and two real interests in this proposed appropriation: One is an interest I owe to the 300,000 people I represent. I have another interest which is personal to me and possibly to every other father in this country similarly situated. This personal interest was emphasized today when I received a letter from one of my two sons. It was postmarked "Pearl Harbor, T. H." He said, in part:

I have been here now 15 days and am prepared and ready to give the best I have got; but, Dad, I would like to have the best you have got to do it with.

To me this appropriation of \$12,000,000,000 is a mere bagatelle when I think of the hundreds and thousands—yes, millions—of fathers and mothers who are willing to sacrifice their sons in defense of all we hold dear; and I feel we should give them the very best we have to do it with. I am glad, therefore, to have an opportunity to vote for this appropriation. I am glad it carries with it \$9,000,000,000 to aid our air forces, because I am convinced from the testimony I have heard during the past 2 years before the committees of this House, given by men from every section of our country and practically every section of the world, that in the final analysis this conflict is going to be terminated by that country or those people who have superiority in air power.

[Here the gavel fell.]

The Clerk concluded the reading of the bill.

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do rise and report the bill back to the House with an amendment with the recom-

mendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CLARK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 6448) making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes, directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. CANNON of Missouri. Mr. Speaker, I ask to be recognized.

The SPEAKER. The gentleman from Missouri is recognized.

Mr. TABER. Mr. Speaker, I move the previous question.

Mr. CANNON of Missouri. Mr. Speaker, I have the floor.

The SPEAKER. The gentleman from Missouri has been recognized.

Mr. CANNON of Missouri. Mr. Speaker, there is an old saying that all experiences come to a Member of the House if he stays here long enough. While I have stayed here 20 years, I have had today a new experience. For the first time in my 20 years' service I have been charged with political trickery. I appreciate the action of my excited friend from New York in thus rounding out my congressional career by providing such an interesting if not enjoyable experience. But he is a lovable fellow and I am certain on a more considered review he will be inclined to be more charitable of my many shortcomings.

Mr. Speaker, I believe Members of the House must realize there is a duty devolving upon the Member in charge of a bill to observe the established procedure; to observe the rules of the House; to insist upon the application of those rules to the business under consideration; and any man in charge of a bill contributes to the integrity of the proceedings when he insists upon all points of order against opposition seeking to dismember the bill. It is his duty regardless of his personal preference, or his own individual views. It is his responsibility to insist upon the enforcement and application of the rules of the House in protection of the bill which has been entrusted to his custody and he has no choice but to protect it. He is derelict in his duty if he permits personal friendships or personal bias to divert him from that course.

Mr. Speaker, it is not necessary to deny this charge of political trickery; it denies itself. I am not a partisan, and in the conduct of this bill today I have sought only to preserve it intact and pass it as reported from the committee as the best and quickest and most economical way of winning this war. I sought no partisan advantage. Certainly there is nothing political in the bill—the statement of the gentleman from New York to the contrary notwithstanding. The mere raising of the point of order to which

the gentleman has objected so strenuously does not prevent a vote on the suggested amendment. There is still opportunity to vote on the question if they wish to. My good friend from New York now has the opportunity to move to recommit the bill with instructions to strike out the provision for the Douglas Dam.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. The gentleman has made a speech that ill becomes any man to make on the floor of this House.

Mr. TABER. Mr. Speaker, I ask for recognition.

Mr. CANNON of Missouri. Mr. Speaker, I ask the Chair to recognize the gentleman from New York.

The SPEAKER. The Chair will recognize the gentleman from New York.

Mr. TABER. Mr. Speaker, the gentleman well knows that in order to qualify to offer a motion to recommit one must say that he is opposed to the bill. I am not opposed to the bill as a whole, although I am opposed to the T. V. A. item in itself. I do not propose to lie in order to qualify to offer a motion to recommit.

Mr. CANNON of Missouri. Mr. Speaker, after the interesting remarks made by the other side, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. LAMBERTSON. Mr. Speaker, I insist on the engrossed copy of the bill being read.

The SPEAKER. Does the gentleman from Kansas insist on the reading of the engrossed copy of the bill?

Mr. LAMBERTSON. Mr. Speaker, it would influence me a little if I knew whether the gentleman from Missouri [Mr. CANNON] is going to insist on a roll call on this bill.

Mr. CANNON of Missouri. Does not the gentleman want to vote on this bill?

Mr. LAMBERTSON. Everybody is for the bill. I would like to know if the gentleman wants to delay passage of the bill.

The regular order was demanded.

The SPEAKER. Does the gentleman from Kansas insist on the reading of the engrossed copy of the bill?

Mr. LAMBERTSON. In view of the fact we want to get to another bill, I withdraw my request.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CANNON of Missouri. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 396, nays 0, not voting 34, as follows:

[Roll No. 11]

YEAS—396

Allen, Ill.	Domengeaux	Kefauver
Allen, La.	Dondero	Kelley, Pa.
Andersen, H. Carl	Doughton	Kelly, Ill.
Anderson, Calif.	Downs	Kennedy, Martin J.
Anderson, N. Mex.	Duncan	Kennedy, Michael J.
Andresen, August H.	Durham	Keogh
Andrews	Dworshak	Kerr
Angell	Eaton	Kilburn
Arends	Eberharter	Kilday
Arnold	Edmiston	Kinzer
Barden	Elliott, Mass.	Kirwan
Barnes	Elliott, Calif.	Kleberg
Barry	Ellis	Klein
Bates, Ky.	Elston	Knutson
Bates, Mass.	Engel	Kocalkowski
Baumhart	Englebright	Kopplemann
Beam	Fellows	Kramer
Beckworth	Fenton	Kunkel
Beiter	Fish	Lambertson
Bell	Fitzgerald	Landis
Bender	Fitzpatrick	Lane
Bennett	Flaherty	Lanham
Bishop	Flannagan	Lea
Blackney	Fogarty	Leavy
Bland	Folger	LeCompte
Bloom	Forand	Lesinski
Boehne	Ford, Leland M.	Lewis
Boggs	Ford, Miss.	Ludlow
Boland	Ford, Thomas F.	Lynch
Bolton	Fulmer	McCormack
Bonner	Gale	McGehee
Boren	Gamble	McGranery
Boykin	Gathings	McGregor
Bradley, Mich.	Gearhart	McKeough
Bradley, Pa.	Gehrmann	McLaughlin
Brooks	Gierlach	McLean
Brown, Ga.	Gibson	McMillan
Brown, Ohio	Gifford	Maas
Bryson	Gilchrist	Maclejewski
Buck	Gillette	MacLora
Buckler, Minn.	Gillie	Mahon
Buckley, N. Y.	Gore	Manasco
Burch	Gossett	Mansfield
Burdick	Graham	Marcantonio
Burgin	Granger	Martin, Iowa
Butler	Grant, Ala.	Martin, Mass.
Byron	Grant, Ind.	Mason
Camp	Gregory	May
Canfield	Guyer	Merritt
Cannon, Fla.	Gwynne	Meyer, Md.
Cannon, Mo.	Haines	Michener
Capozzoli	Hall	Mills, Ark.
Carlson	Hall	Mills, La.
Carter	Edwin Arthur	Mitchell
Cartwright	Hall	Monroney
Case, S. Dak.	Leonard W.	Moser
Casey, Mass.	Halleck	Mott
Celler	Hancock	Mundt
Chapman	Hare	Murdock
Chenoweth	Harness	Murray
Chiperfield	Harrington	Myers, Pa.
Clark	Harris, Ark.	Nelson
Clason	Hart	Norrell
Claypool	Harter	Norton
Cleaver	Hartley	O'Brien, Mich.
Cochran	Healey	O'Brien, N. Y.
Coffee, Nebr.	Heffernan	O'Connor
Coffee, Wash.	Heidinger	O'Hara
Cole, Md.	Hendricks	O'Leary
Cole, N. Y.	Hess	Oliver
Collins	Hill, Colo.	O'Neal
Colmer	Hill, Wash.	Pace
Cooley	Hobbs	Paddock
Cooper	Hoffman	Patman
Copeland	Hook	Patrick
Costello	Hope	Patton
Courtney	Houston	Pearson
Cox	Howell	Peterson, Ga.
Cravens	Hull	Pfeiffer
Creal	Hunter	Joseph L.
Crosser	Imhoff	Pheiffer
Crowther	Izac	William T.
Culkin	Jackson	Pierce
Cullen	Jacobsen	Pittenger
Cunningham	Jarman	Plauche
Curtis	Jarrett	Ploeser
D'Alesandro	Jenkins, Ohio	Plumley
Davis, Tenn.	Jenks, N. H.	Poage
Day	Jennings	Powers
Delaney	Johns	Priest
Dewey	Johnson, Calif.	Rabaut
Dickstein	Johnson, Ill.	Ramsay
Dies	Johnson, Ind.	Ramspeck
Dingell	Johnson, W. Va.	Randolph
Dirksen	Jones	Rankin, Miss.
Disney	Jonkman	Rankin, Mont.
Ditter	Kean	Reece, Tenn.
	Kee	Reed, Ill.
	Keefe	Reed, N. Y.

Rees, Kans.	Sikes	Tibbott
Rich	Simpson	Tinkham
Richards	Smith, Maine	Traynor
Rivers	Smith, Ohio	Treadway
Rizley	Smith, Pa.	Vincent, Ky.
Robertson, N. Dak.	Smith, Va.	Vinson, Ga.
Robertson, Va.	Smith, Wash.	Voorhis, Calif.
Robinson, Utah	Smith, W. Va.	Vorys, Ohio
Robsion, Ky.	Smith, Wis.	Wadsworth
Rockwell	Snyder	Walter
Rodgers, Pa.	Somers, N. Y.	Ward
Rogers, Mass.	South	Wastelewski
Rogers, Okla.	Sparkman	Weaver
Rolph	Spence	Weiss
Romjue	Springer	Welch
Russell	Starnes, Ala.	Wheat
Sabath	Steagall	Whelchel
Sacks	Stearns, N. H.	White
Sanders	Stefan	Whitten
Sasser	Stevenson	Whittington
Satterfield	Sullivan	Wickersham
Sauthoff	Sumner, Ill.	Wigglesworth
Scanlon	Sumners, Tex.	Williams
Schultz	Sutphin	Wilson
Schulte	Sweeney	Winter
Scott	Taber	Wolcott
Scrugham	Talle	Wolfenden, Pa.
Secrest	Tarver	Wolverton, N. J.
Shafer, Mich.	Tenerowicz	Woodruff, Mich.
Shanley	Terry	Woodrum, Va.
Shannon	Thill	Wright
Sheppard	Thom	Young
Sheridan	Thomas, N. J.	Youngdahl
Short	Thomas, Tex.	Zimmerman
	Thomason	

NAYS—0

NOT VOTING—34

Baldwin	Hinshaw	O'Toole
Byrne	Holbrook	Peterson, Fla.
Cluett	Holmes	Rockefeller
Crawford	Jensen	Schaefer, Ill.
Davis, Ohio	Johnson	Stratton
Douglas	Lyndon B.	Tolan
Drewry	Larrabee	Van Zandt
Faddis	McIntyre	Vreeland
Gavagan	Magnuson	Wene
Green	Nichols	West
Harris, Va.	O'Day	Worley
Hébert	Osmer	

So the bill was passed.

The Clerk announced the following pairs:

General pairs:

Mr. Magnuson with Mr. Vreeland.
Mr. Worley with Mr. Van Zandt.
Mr. Lyndon B. Johnson with Mr. Osmer.
Mr. Drewry with Mr. Baldwin.
Mr. Harris of Virginia with Mr. Crawford.
Mr. Gavagan with Mr. Cluett.
Mr. West with Mr. Hinshaw.
Mr. Holbrook with Mr. Rockefeller.
Mr. Green with Mr. Stratton.
Mr. Larrabee with Mr. Douglas.
Mr. Peterson of Florida with Mr. Jensen.
Mr. Nichols with Mr. Holmes.
Mr. Tolman with Mr. Byrne.
Mr. Hébert with Mr. O'Toole.
Mr. Davis of Ohio with Mr. Faddis.
Mr. McIntyre with Mrs. O'Day.
Mr. Schaefer of Illinois with Mr. Wene.

The result of the vote was announced as above recorded.

On motion of Mr. CANNON of Missouri, a motion to reconsider was laid on the table.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their own remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, and I shall not object, will the gentleman tell us the program for next week?

Mr. McCORMACK. On Monday the conference report on the price-control bill will be brought up. On Tuesday there will be the Navy Department appropriation bill. I am uncertain at this time as to whether on Calendar Wednesday the committees will be called. A rule has been reported on the bill (H. R. 6359) granting relief to certain agricultural producers in stricken areas who suffered crop failures in 1941 because of adverse weather conditions, insect pests, or other uncontrollable natural causes, and this bill will be considered some time next week. That is all the program I have to announce now for next week.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RELIEF FOR CERTAIN AGRICULTURAL PRODUCERS IN STRICKEN AREAS

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (H. Res. 419) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6359) granting relief to certain agricultural producers in stricken areas who suffered crop failures in 1941 because of adverse weather conditions, insect pests, or other uncontrollable natural causes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDMENT OF DISTRICT OF COLUMBIA REVENUE ACT OF 1939

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5591) to amend the District of Columbia Revenue Act of 1939, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 6, strike out lines 12 to 23, inclusive.
Page 10, line 4, strike out "salaries, wages."
Page 10, line 6, after "income", insert "to foreign corporations."

Page 10, line 14, strike out "or person not a resident of the District."

Page 10, line 19, strike out "or other person not a resident of the District."

Page 10, line 20, strike out "or nonresident person."

Page 11, line 6, strike out "1941" and insert "1942."

Page 14, line 9, strike out "1940" and insert "1941."

Page 14, lines 13 and 14, strike out "apply to the taxable year 1941, and succeeding taxable years" and insert "become effective January 1, 1942."

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MICHENER. Reserving the right to object, Mr. Speaker, will the gentleman explain the Senate amendments?

This is a tax matter.

Mr. RANDOLPH. The bill is an amendment to the income-tax law of the District of Columbia. The measure which passed the House and the Senate did not go to the basis of the tax but simply to certain inequities and administrative difficulties in connection with the collection of same. The bill passed this body unanimously after having been unanimously reported by the House District Committee. It had the approval of the District Commissioners. The same was true in the other body. The Senate yesterday placed in the bill certain clarifying amendments which do not go to the fundamental text of the legislation. The House, I believe, should concur in the Senate amendments. It is vital that final disposition of the matter be made promptly.

Mr. MICHENER. Is this agreeable to the gentleman from Illinois [Mr. DIRKSEN] and other members of the committee?

Mr. RANDOLPH. Yes; it is agreeable to the gentleman from Illinois. He has been helpful in drafting this bill.

Mr. MICHENER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

WILLIAM GORDON

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SWEENEY. Mr. Speaker, last week at a time when I was experiencing a death in my immediate family there passed away in the city of Cleveland, Ohio, former Congressman William Gordon, who represented the Twentieth Ohio District in this body from 1913 to 1919. His passing has already been noted by my colleague the gentleman from Ohio [Mr. YOUNG].

I rise at this time to pay my tribute to the memory of a great liberal, and one who was in every sense a Jeffersonian Democrat. Mr. Gordon was Ohio born, having first seen the light of day in Oak Harbor, where he later served as a member of the board of the county school examiners, and later in the office of the public prosecutor.

He was a good lawyer, and in 1906 came to Cleveland where he built up an active

law practice, and became active in the councils of the Democratic Party. He was his party's choice for delegate to the Democratic National Convention in 1896.

In 1912 he was nominated and elected to serve in Congress the district I now have the honor to represent. Many of the older Members of Congress will remember him because of his powerful voice. He was affectionately known in this body and throughout the district as "Roaring Bill" Gordon. Suffice to say that whenever he did roar he was always on the side of justice and against oppression. He made a special study of monopolies, and he was vociferous in condemning the vicious practice of the growth of monopolies in the country.

I counted him as my friend, and on many occasions I was delighted to consult with him on matters affecting the district and the Nation as a whole.

Mr. Gordon is survived by his wife, Elizabeth M. Gordon, his son, Walter S. Gordon, member of the bar of Cleveland, Ohio, a daughter, Mrs. Dorothy A. Deeks, and a sister, Mrs. Nora Kilmer, of Oak Harbor, Ohio; also surviving are three grandchildren and one great-grandchild.

He was coming close to his eightieth birthday when death closed his eyes. I am sure his family and his friends have the sympathy of many of the Members of Congress who were privileged to serve with him. May his soul rest in peace.

REGISTRATION OF FOREIGN PROPAGANDA AGENTS

Mr. McLAUGHLIN submitted the following conference report and statement on the bill (H. R. 6269) to amend the act entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes, approved June 8, 1938, as amended":

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6269) to amend the act entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," approved June 8, 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the said bill and agree to the same.

HATTON W. SUMNERS,
CHARLES F. McLAUGHLIN,
C. E. HANCOCK,

Managers on the part of the House.

JAMES H. HUGHES,
HARLEY M. KILGORE,
JOHN A. DANAEHR,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6269) to amend the act entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," approved June 8, 1938, as amended, submit the following explanation of the effect of the action agreed upon in conference and recommended in the accompanying conference report.

Jan. 24





Daily Issues of January 24 and January 26, 1942 (Nos. 17 and 18), Combined

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 77th CONGRESS, SECOND SESSION

Vol. 88

WASHINGTON, SATURDAY, JANUARY 24, 1942

No. 17

House of Representatives

The House was not in session today. Its next meeting will be held on Monday, January 26, 1942, at 12 o'clock noon.

Senate

SATURDAY, JANUARY 24, 1942

(Legislative day of Friday, January 23, 1942)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, the Very Reverend Z. Barney T. Phillips, D. D., offered the following prayer:

God of our life, in Whose Hands is the governance of all things: Let Thy mercy be ever great toward us, even the mercy of Divine long-suffering for us, who receive so indifferently Thy instructions, who answer so tardily Thy call to discipline.

Inspire our people with such a spirit of devotion to our country as will lead them to those sources of strength necessary for the recruiting of our powers.

Quicken in us a passion for the Kingdom of God, wherein shall be found only truth and righteousness, justice and mercy; wherein men shall be at once self-confident and self-forgetful; wherein the bestowals of Thy love shall be always sufficient, both in great things and in small.

Pity our oft-repeated failures, pardon our manifold transgressions, fulfill the petitions of our soul for our highest good, and may the grace of our Lord Jesus Christ, the love of God, and the fellowship of the Holy Spirit be upon us now, and abide with us for evermore. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Friday, January 23, 1942, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nomina-

tions were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Swanson, one of its clerks, announced that the House had passed a bill (H. R. 6448) making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes, in which it requested the concurrence of the Senate.

REPORT OF OFFICE OF FACTS AND FIGURES (S. DOC. NO. 157)

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed as a Senate document the Report to the Nation issued by the Office of Facts and Figures with reference to the American preparation for war. The report contains valuable information not only to Members of Congress but to the general public, and it is difficult to preserve it in convenient form by laying aside newspapers in which it is published. Therefore, I ask that the report be printed as a Senate document, with an illustration.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON EDUCATION AND TRAINING OF DEFENSE WORKERS

A letter from the Administrator of the Federal Security Agency, transmitting, pursuant to law, the first quarterly report of the United States Commissioner of Education on

the education and training of defense workers, covering the period beginning July 1, 1941, and ending September 30, 1941 (with an accompanying report); to the Committee on Education and Labor.

LIST OF WORK PROJECTS ADMINISTRATION EMPLOYEES IN HAWAII

A letter from the Acting Administrator of the Federal Works Agency, transmitting an additional name to be added to the list of employees of the Work Projects Administration, Federal Works Agency, receiving a per annum salary of \$1,200 or more on December 1, 1941, in the Territory of Hawaii; to the Committee on Appropriations.

PROHIBITION OF LIQUOR SALES AND SUPPRESSION OF VICE AROUND MILITARY CAMPS—PETITION

Mr. CAPPER. Mr. President, I present for appropriate disposition and ask unanimous consent to have printed in the RECORD without all the names attached thereto a petition addressed to me by citizens of Ramona, Kans.

They ask that the sale of intoxicating liquors be stopped around Army camps and naval bases as provided in Senate bill 860. I heartily agree with them on this subject, as I believe the elimination of the liquor traffic around our Army camps would give more chance for the production of necessary things to win the war.

There being no objection, the petition was ordered to lie on the table and to be printed in the RECORD without all the names attached thereto, as follows:

To Hon. ARTHUR CAPPER:

The undersigned, citizens of voting age, living in Kansas, are interested in and desire the passage of Senate bill 860, to pro-

hibit the sale of liquors in and near Army camps and naval bases.

Rev. S. C. BURK,
GLENN S. STRICKLER,
FRIEDA SCHUBERT,
(And sundry other
citizens of Ramona, Kans.)

**RESOLUTION OF COUNCIL NO. 6, POLISH
ROMAN CATHOLIC UNION OF AMERICA,
MILWAUKEE, WIS.—RELIEF OF POLES
IN SIBERIA AND RUSSIA**

Mr. WILEY. Mr. President, I present for printing in the RECORD and appropriate reference a letter embodying a resolution adopted by Council No. 6, Polish Roman Catholic Union of America, of Milwaukee, Wis.

There being no objection, the letter embodying a resolution was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

COUNCIL No. 6, POLISH
ROMAN CATHOLIC UNION OF AMERICA,
Milwaukee, Wis., January 18, 1942.

Mr. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR MR. WILEY: Council No. 6 of the Polish Roman-Catholic Union of America, representing the 27 Milwaukee Societies affiliated with that organization, at its last regular meeting adopted unanimously a resolution reading as follows:

"Be it resolved, That the President and the Congress of the United States of America, responding to our fervent plea, rush immediate aid to the 2,000,000 suffering starving Poles in Siberia and Russia. Removed from their homes, deprived of their belongings, they find themselves far from their homeland, hungry, ill-clothed, suffering from disease.

"By assisting them now, we shall strengthen their will, and the will of their brethren still held in the clutches of the brutal foe of all democracy, Nazi Germany, to fight back hard, relentlessly. By aiding them, we shall be aiding our own cause, hastening the day of victory for America."

Respectfully yours,

THADDEUS F. BORUN,
President.
HARRIETT M. NOWACZYK,
Secretary.

**RESOLUTION OF AUXILIARY NO. 2 (LOCAL
NO. 75), INTERNATIONAL UNION,
UNITED AUTOMOBILE WORKERS OF
AMERICA, MILWAUKEE, WIS.**

Mr. WILEY. Mr. President, I also present for printing in the RECORD and appropriate disposition a letter embodying a resolution of Women's Auxiliary No. 2, International Union, United Automobile Workers of America (Local No. 75, C. I. O.), of Milwaukee, Wis.

There being no objection, the letter embodying a resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

WOMEN'S AUXILIARY NO. 2,
INTERNATIONAL UNION, UNITED
AUTOMOBILE WORKERS OF AMERICA,
C. I. O., LOCAL NO. 75,
Milwaukee, Wis., January 13, 1942.
Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SIR: We are a group of public-spirited women close to the problems encountered by labor.

We request that you do all in your power to adhere to the principles set forth in the following resolution, which was unanimously passed by us:

"Whereas, realizing that our Nation has been attacked, we proclaim our allegiance to our President, our country, and our Constitution.

"Whereas we, together with our menfolk, pledge labor's fullest effort in producing the implements of war, not forgetting our democratic and constitutional right to rise in protest should such sincerity and loyalty be imposed upon.

"Whereas we protest the Connally, Smith, and Ball bills, feeling labor needs no legislation to force production for victory. We protest any and all bills which strike at the Nation's most precious resource—labor."

Yours very truly,

THE LEGISLATIVE COMMITTEE,
AUXILIARY NO. 2, UNITED
AUTOMOBILE WORKERS OF
AMERICA, CONGRESS OF
INDUSTRIAL ORGANIZA-
TIONS,

MARGUERITE WEBB, Chairman.
RUTH M. EHLERS.
ROSETTA GRAVELLE.

HOUSE BILL REFERRED

The bill (H. R. 6448) making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

**PLIGHT OF SOUTHERN SHARECROPPERS—
ARTICLE FROM SOCIAL JUSTICE**

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD an article from the magazine Social Justice, with reference to the condition of southern sharecroppers, which appears in the Appendix.]

**CONFIRMATION OF NOMINATIONS ON
EXECUTIVE CALENDAR**

Mr. BARKLEY. Mr. President, the Senator from Georgia [Mr. GEORGE] advised me he wanted to take up a bill reported from the Committee on Finance. He does not seem to be present. I ask that, as in executive session, the Senate take up the Executive Calendar and confirm the nominations thereon.

The VICE PRESIDENT. Is there objection? The Chair hears none.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The VICE PRESIDENT. Without objection, as in executive session, the postmaster nominations are confirmed en bloc, and, without objection, the President will be notified.

EXTENSION OF WAR POWERS

Mr. McNARY. Mr. President, I submit an amendment which I intend to propose to Order No. 1024, Senate bill 2208, to further expedite the prosecution of the war, and ask that it be printed and lie on the table.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

Mr. BARKLEY. Mr. President, it is my purpose on behalf of the Senator from Wyoming [Mr. O'MAHONEY] to ask that the Senate proceed to the consideration of the bill mentioned by the Senator from Oregon, not with a view of taking it up today but with a view to making it the unfinished business and taking it up on Monday next.

Therefore I ask unanimous consent that the Senate proceed to the consideration of Senate bill 2208.

The VICE PRESIDENT. The clerk will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2208) to further expedite the prosecution of the war.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

Mr. BARKLEY. I do not desire to proceed with the bill now, but simply that it may have its status as the unfinished business when we meet on Monday next.

RECESS

Mr. BARKLEY. Mr. President, as the Senator from Georgia appears to be detained in committee, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 11 o'clock and 7 minutes a. m.) the Senate took a recess until Monday, January 26, 1942, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 24 (legislative day of January 23), 1942:

APPOINTMENTS IN THE REGULAR ARMY FROM THE RESERVE CORPS, NATIONAL GUARD, AND ARMY OF THE UNITED STATES

TO BE SECOND LIEUTENANTS, REGULAR ARMY, WITH RANK FROM DATE OF APPOINTMENT

Infantry

Ben Lamar Anderson
Claude Esmond Bailey, Jr.
John Streett Baldwin
William Waldorf Barnes
John William Barrett
Marshall Owen Becker
James Dunceth Beckett
Robert Leslie Bereuter
Donald Palmer Boyer, Jr.
Daniel Campbell Brawnner
Hunter Marion Brumfield
George Edwin Buckman
Philip Clare Calhoun
Archibald Branks Cameron
Donald Norman Cameron
George William Carter
Jesse Melvin Charlton, Jr.
Robert Ernest Conline
John Allen Coulter
William Cecil Crawford
Thomas Raymond Cross
Niels Marius Dahl
George Herbert De Chow
Arthur James De Luca
Arden Wirth Dow
Edmund Francis Driscoll
Dayton Willis Eddy
Kenny Walter Erickson
Robert Charles Forbes

77TH CONGRESS
2^D SESSION

H. R. 6448

IN THE SENATE OF THE UNITED STATES

JANUARY 24 (legislative day, JANUARY 23), 1942

Read twice and referred to the Committee on Appropriations

AN ACT

Making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the national
5 defense for the fiscal years ending June 30, 1942, and
6 June 30, 1943, and for other purposes, namely:

7 TITLE I—WAR DEPARTMENT

8 MILITARY ACTIVITIES

9 SEC. 101. For additional amounts for the Military Es-
10 tablishment, fiscal year 1942, to remain available until June

30, 1943, to be supplemental to, and merged with, the appropriations under the same heads in the Military Appropriation Act, 1942, including the objects and subject to the limitations and conditions specified under those heads, respectively, in such Act, as follows:

OFFICE OF THE SECRETARY OF WAR

Expediting production: For expediting production of equipment and supplies for national defense, \$933,000,000: *Provided*, That the third proviso under the head "Expediting Production" in the Military Appropriation Act, 1942, as amended by the Act of July 16, 1941 (Public Law 179, Seventy-seventh Congress), is repealed and shall not apply to any unexpended balances under this head nor to the funds herein appropriated.

SIGNAL CORPS

Signal Service of the Army: For Signal Service of the Army, \$680,242,180.

AIR CORPS

Air Corps, Army: For Air Corps, Army, \$9,041,373,090.

ORDNANCE DEPARTMENT

Ordnance Service and Supplies, Army: For Ordnance Service and Supplies, Army, \$1,547,948,529.

CHEMICAL WARFARE SERVICE

Chemical Warfare Service, Army: For Chemical Warfare Service, Army, \$323,308,675.

DEFENSE AID

1

2 SEC. 102. Whenever the President deems it to be in
3 the interest of national defense, he may authorize the Secre-
4 tary of War to sell, transfer title to, exchange, lease, lend, or
5 otherwise dispose of, to the government of any country whose
6 defense the President deems vital to the defense of the United
7 States, any defense article procured from funds appropriated
8 in this title, in accordance with the provisions of the Act
9 of March 11, 1941 (Public Law 11): *Provided*, That the
10 total value of articles disposed of under this authority shall
11 not exceed \$4,000,000,000.

12 SEC. 103. This title may be cited as "Title IV, Military
13 Appropriation Act, 1942".

14 TITLE II—GENERAL APPROPRIATIONS

15 INDEPENDENT AGENCIES

16 TENNESSEE VALLEY AUTHORITY

17 Tennessee Valley Authority Fund: For an additional
18 amount for the Tennessee Valley Authority fund, fiscal year
19 1942, for (1) the construction of a hydroelectric project on
20 the French Broad River near Dandridge, Tennessee, (2)
21 the purchase or building of transmission facilities needed to
22 connect this project to the existing transmission system of the
23 Authority, and (3) the acquisition of land necessary for and
24 the relocation of highways in connection with the accom-
25 plishment of the above project; \$30,000,000, to be available

1 for the administrative objects of expenditure and subject to
2 the conditions specified under this heading in the Independ-
3 ent Offices Appropriations Act, 1942.

4 DEPARTMENT OF STATE

5 Transportation, Foreign Service: For an additional
6 amount for Transportation, Foreign Service, fiscal year 1942,
7 including the objects specified under this head in the Depart-
8 ment of State Appropriation Act, 1942, \$800,000.

9 TITLE III—GENERAL PROVISIONS

10 SEC. 301. No part of any appropriation contained in
11 this Act shall be used to pay the salary or wages of any
12 person who advocates, or who is a member of an organization
13 that advocates, the overthrow of the Government of the
14 United States by force or violence: *Provided*, That for the
15 purposes hereof an affidavit shall be considered prima facie
16 evidence that the person making the affidavit does not ad-
17 vocate, and is not a member of an organization that advo-
18 cates, the overthrow of the Government of the United States
19 by force or violence: *Provided further*, That any person
20 who advocates, or who is a member of an organization that
21 advocates, the overthrow of the Government of the United
22 States by force or violence and accepts employment the salary
23 or wages for which are paid from any appropriation in this
24 Act shall be guilty of a felony and, upon conviction, shall be
25 fined not more than \$1,000 or imprisoned for not more than

1 one year, or both: *Provided further*, That the above penalty
2 clause shall be in addition to, and not in substitution for, any
3 other provisions of existing law.

4 SEC. 302. This Act may be cited as the "Fourth Sup-
5 plemental National Defense Appropriation Act, 1942".

Passed the House of Representatives January 23, 1942.

Attest:

SOUTH TRIMBLE,

Clerk.

AN ACT

Making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes.

JANUARY 24 (legislative day, JANUARY 23), 1942

Read twice and referred to the Committee on Appropriations

FOURTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL FOR 1942

FILE COPY

Please return to
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HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

SEVENTY-SEVENTH CONGRESS

SECOND SESSION

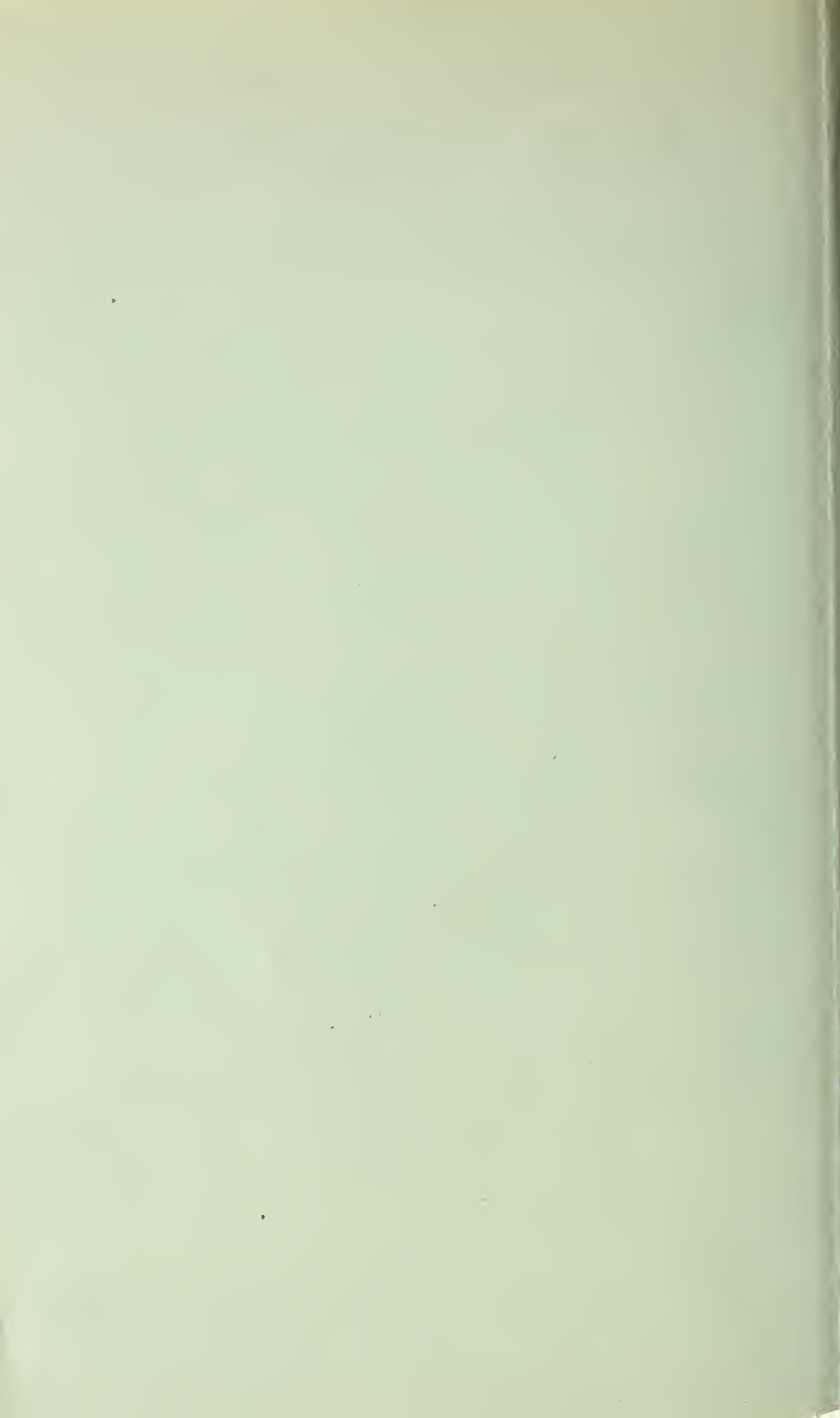
ON

H. R. 6448

A BILL MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE
NATIONAL DEFENSE FOR THE FISCAL YEARS ENDING
JUNE 30, 1942, AND JUNE 30, 1943, AND FOR
OTHER PURPOSES

Printed for the use of the Committee on Appropriations





FOURTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL FOR 1942

HEARINGS BEFORE THE SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

SEVENTY-SEVENTH CONGRESS

SECOND SESSION

ON

H. R. 6448

A BILL MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE
NATIONAL DEFENSE FOR THE FISCAL YEARS ENDING
JUNE 30, 1942, AND JUNE 30, 1943, AND FOR
OTHER PURPOSES

Printed for the use of the Committee on Appropriations



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1942

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS

KENNETH MCKELLAR, Tennessee, *Chairman*

CARTER GLASS, Virginia

CARL HAYDEN, Arizona

MILLARD E. TYDINGS, Maryland

RICHARD B. RUSSELL, Georgia

JOHN H. OVERTON, Louisiana

ELMER THOMAS, Oklahoma

PAT McCARRAN, Nevada

JOSEPH C. O'MAHONEY, Wyoming

JOHN H. BANKHEAD, Alabama

GERALD P. NYE, North Dakota

HENRY CABOT LODGE, Jr., Massachusetts

RUFUS C. HOLMAN, Oregon

C. WAYLAND BROOKS, Illinois

EVERARD H. SMITH, *Clerk*

FOURTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL FOR 1942

MONDAY, JANUARY 26, 1942

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10:30 a. m., Senator Kenneth McKellar, chairman of the subcommittee, presiding.

Present: Senators McKellar, Glass, Hayden, Tydings, Overton, Thomas of Oklahoma, O'Mahoney, Bankhead, Nye, Holman, and Brooks.

WAR DEPARTMENT

MILITARY ACTIVITIES

STATEMENTS OF LT. GEN. H. H. ARNOLD, DEPUTY CHIEF OF STAFF
AND CHIEF OF ARMY AIR FORCES; LT. COL. R. S. MOORE, FINANCE
DEPARTMENT; AND LT. COL. G. K. HEISS, OFFICE OF UNDER
SECRETARY OF WAR

AMOUNT OF ESTIMATES AND PROCUREMENT PROGRAM THEY REPRESENT

Senator McKellar. What have you to say about this bill, General?

General Arnold. The estimates before you, amounting to \$12,525,-872,474, represent a rounded procurement program of approximately 33,000 airplanes, their armament, equipment, related munitions, and the necessary funds for facilities to permit accomplishment of the program within the time limits desired.

Former airplane procurement programs have authorized numbers in excess of those necessary to implement the second aviation objective or 84-group program. The present airplane program had its inception before December 7, 1941, and was designed to continue without interruption aircraft manufacture at present levels of production. Immediately after December 7, however, the heavy bomber program was increased to raise production of that type of aircraft to a level of 1,000 per month, and to provide the facilities necessary to accomplish this objective.

While the program in its inception was purely to continue production, and provided aircraft over and above the tactical needs of the air force, the declaration of war has caused profound changes in our productive as well as in our tactical objectives. Plans for the expansion of the Air Corps now under study indicate that by the time the aircraft

in this program are delivered, a large portion of these planes will be required to equip tactical units in our air forces. In fact, in some types they may not meet our requirements.

OBJECT OF PROGRAM INCLUDED IN ESTIMATES

The object of the program is to continue present production levels of aircraft until June 30, 1942, for training airplanes; through December 31, 1943, for tactical airplanes (except heavy bombers); through June 30, 1944, for heavy bombers; and to increase the level of production of heavy bombers to 1,000 per month after June 30, 1944.

The program includes airplanes, and the related spare parts, spare engines, weapons, equipment, and munitions. In order to increase the heavy bomber production and in order to keep the munitions program in step with the delivery of planes, additional facilities are required for manufacture of airplanes, subassemblies, raw materials, and munitions.

This program does not take into consideration, except for heavy bombers, the speed-up in industry which may be obtained by use of the 7-day week and 24-hour day. This speed-up is being carefully studied, and when plans are entirely coordinated, an additional program will be submitted for the number of planes necessary to implement it.

The program is the result of extensive planning and coordination with the Office of Production Management. The program accomplishes the objects sought of maintaining airplane production. It can be accomplished by the industry, and funds are needed immediately in order that industry may be continued at these levels without a break, which if funds were not now appropriated would occur sometime in August 1942.

PART OF PLANES REQUESTED TO BE AVAILABLE FOR LEND-LEASE PURPOSES

While it is felt that the greater part of these airplanes will be required for our forces, language is requested to give the President freedom of action in transferring a part of these planes to any country whose defense is considered essential to our defense.

Senator McKELLAR. Are you dissatisfied in any respect with the bill as the House has passed it?

General ARNOLD. My only comment on that is with reference to the provision in there to transfer equipment to other countries.

Senator McKELLAR. Let us see about that. That is on page 3.

General ARNOLD. The reason why I comment on that is, I believe in this war we must provide for the maximum use of all the implements of war where it hurts the enemy most. We must be able to use the equipment wherever it will do the most good for us and the most damage to the enemy.

(A discussion followed off the record.)

Senator McKELLAR. That is the only comment you have to make?

General ARNOLD. Yes; that is the only comment.

(A discussion followed off the record.)

NUMBER OF AIRPLANES TO BE PROCURED

Senator MCKELLAR. General, is this statement of the House committee correct, in its report?—"The funds contemplate the procurement of 33,000 completed airplanes of which 23,000 are tactical types and 10,000 are training types." Is that correct?

General ARNOLD. That is correct, sir.

(A discussion followed off the record.)

Senator MCKELLAR. Are there any other questions, gentlemen?

VALUE OF ARTICLES THAT MAY BE TRANSFERRED UNDER LEND-LEASE
AUTHORITY

I wonder if there is anyone here who can make a further statement regarding the proposed amendment on page 3:

Whenever the President deems it to be in the interest of national defense he may authorize the Secretary of War to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense article procured from funds appropriated in this title, in accordance with the provisions of the Act of March 11, 1941 (Public Law 11): *Provided*, That the total value of articles disposed of under this authority shall not exceed \$4,000,000,000.

While that does put a limitation on it, if it be a limitation that might prove harmful, the Department could come before the committee at any time and get it corrected.

Colonel MOORE. That is correct, sir.

Senator MCKELLAR. Then shouldn't we leave the language just as it was sent down by the Budget?

Colonel MOORE. Yes, sir. The history on that was that in the third supplemental there was included a limitation of \$2,000,000,000 on the items that could be furnished under the terms of the Lend-Lease Act.

Senator MCKELLAR. Yes.

Colonel MOORE. That limitation was inserted by the Congress. In anticipation that the desire of the Congress would be to insert a limitation, the Bureau of the Budget inserted the \$4,000,000,000 limitation appearing in the bill now being considered. It is the opinion of the War Department that this limitation will for the present give sufficient leeway, coupled with the \$2,000,000,000 limitation in the Third Supplemental Appropriation Act.

Senator MCKELLAR. That you already have.

Colonel MOORE. That we already have. And in the event authority for additional transfer is desired, we will come before the Congress and seek it.

Senator MCKELLAR. Yes; I think that will be preferable. I think it will be better to leave that limitation as it is. If conditions arise that we will want to change it either way, we can do it.

Senator TYDINGS. You have no objection to it, General?

General ARNOLD. No. My only suggestion is that we must be able to use this equipment where it will do the most good.

(A discussion followed off the record.)

OFFICE OF THE SECRETARY OF WAR

AMOUNT IN BILL FOR EXPEDITING PRODUCTION

Senator McKELLAR. I would like to ask about the section on page 2, under "Office of the Secretary of War," which reads:

For expediting production of equipment and supplies for national defense, \$933,000,000: *Provided*, That the third proviso under the head "Expediting production" in the Military Appropriation Act, 1942, as amended by the act of July 16, 1941, is repealed and shall not apply to any unexpended balances under this head nor to the funds herein appropriated.

General ARNOLD. Senator, I have Colonel Heiss here, who will be glad to explain it.

Senator McKELLAR. I would like the Colonel to explain that.

UTILIZATION OF DEFENSE PLANT CORPORATION CONTRACTS

Colonel HEISS. This change in language is necessary to enable the Air Corps to continue their present practice of utilizing Defense Plant Corporation contracts for the greater part of their facilities expansion. The restrictive language contained in the regular 1942 Appropriation Act, as amended by the act of July 16, 1941, has been construed to operate against the use of any funds appropriated for expediting production subsequently thereto in connection with Defense Plant Corporation contracts.

Senator McKELLAR. Right there, let me ask, how are these funds used? What do you pay for expediting production? How do you manage that? What is the present custom of the Department?

UTILIZATION OF EXPEDITING PRODUCTION FUNDS

Colonel HEISS. Well, let us go back a bit. When we first obtained funds for expediting production, the funds were to be utilized, broadly, for any increase of productive capacity in the United States or for any purpose which would increase it, that in the opinion of the Secretary of War was advisable and that was approved by the President. Based on that, we started the construction of aircraft factories and the implementation of existing plants for the manufacture of aircraft and aircraft accessories, including engines as well as other munitions of war.

In cases where there was a complete new project which we could start from the ground up, such as bomber assembly plants, the War Department contracted for the facility. This was a clear-cut case which the Government could start with Government personnel and contract for the building of the plant. The War Department owns these plants outright.

In other cases where we were expanding existing facilities, it was found to be more practical to operate through the Defense Plant Corporation. The Defense Plant Corporation entered into a contract with the owner of the facilities to expand his facilities; the Defense Plant Corporation furnishing the money, and the War Department, in return, guaranteeing the Defense Plant Corporation against a loss, obligating funds from the Expediting Production appropriation. In this case we were definitely obligating from our funds the amounts necessary to pay the Defense Plant Corporation 40 percent of the amount of

money they put into the project. The War Department further agreed, if at the end of the emergency the Defense Plant Corporation was still in the hole over and above the 40 percent definitely obligated, to come to Congress with the Defense Plant Corporation and ask Congress to make the Defense Plant Corporation whole again. That was the old system.

At the time the 1942 War Department Appropriation Act was under consideration, there were great demands for expediting production funds. There was some question of entering into similar Defense Plant Corporation contracts for the construction of ordnance plants. Congress decided that this would not be wise and placed a limitation in the regular 1942 act that actually froze all the funds we had been given, in addition to the funds we were getting in that act. Our lawyers construed that the limitation prevented the use of these funds to cover take-out letters and contracts with the Defense Plant Corporation.

Senator McKELLAR. Does it apply solely to your dealings with the Defense Plant Corporation?

Colonel HEISS. That is right, sir. The limitation was amended in the T. V. A. Act (Public Law 179, 77th Cong.) passed a short time afterward so as to release all funds that had been appropriated previous to the 1942 appropriation. At that time this was satisfactory. As we envisioned it, there would be no great additional Air Corps expansion. The third supplemental was passed, and though the language did not definitely prohibit the use of the funds that were for expediting production in the act, our lawyers construed there was still doubt as to the intent of Congress relative to the utilization of the funds appropriated in the act in connection with Defense Plant Corporation contracts.

Senator McKELLAR. And that is the reason for this amendment?

Colonel HEISS. And we put this in here to remove that doubt.

Senator TYDINGS. Colonel, isn't it a fact that a great many manufacturers had gone ahead and spent money and enlarged their plants before they received any assurance from the Government that they would be compensated therefor, because of patriotic motives?

Colonel HEISS. Yes, sir; they have done that. A number of them have gone ahead on what we call "provisional letters of intent."

Senator TYDINGS. And they spent millions of dollars, with the Government to make good later on, because delays would have occasioned a serious let-up in their efforts. You have to compensate those people some time.

Colonel HEISS. Yes, sir.

Senator TYDINGS. And this is a part of the understanding?

Colonel HEISS. No, sir; not with the Defense Plant Corporation. We compensated the private firm when we entered into a contract with them. But this is a method whereby—and let us take the Ford Co. for example.

Senator TYDINGS. Yes.

Colonel HEISS. They have certain facilities now to produce bombers. General Arnold wants them to produce more within the next year or year and a half. They have to add to these existing facilities.

Senator TYDINGS. Yes.

Colonel HEISS. They, under the Defense Plant Corporation system, will enter into a contract with the Defense Plant Corporation whereby they will build the additions to their existing facilities; some of them in the same building, and some perhaps in additional buildings attached thereto.

Senator TYDINGS. With their money?

Colonel HEISS. With money the Defense Plant Corporation—

Senator TYDINGS. Loans them?

Colonel HEISS. Yes.

Senator TYDINGS. I see.

Colonel HEISS. And holds the facility as security for the loan.

Senator TYDINGS. Yes.

Colonel HEISS. They then, in operating that facility, pay the Defense Plant Corporation a part of that each year.

Senator TYDINGS. Amortized with the new appropriations as paid for producing equipment?

Colonel HEISS. Yes, sir; as we pay them for the equipment produced.

Senator TYDINGS. Then is that going to bring them out?

Colonel HEISS. I am leading up to that, Senator. Assuming this thing would go on for, say, 5 or 10 years, then everybody would be clear.

Senator TYDINGS. Yes. Suppose it is only 3 years?

Colonel HEISS. Then if it is only 3 years, somebody is going to lose money. It isn't right that the manufacturer lose that money. So the Defense Plant Corporation then in turn comes to the War Department and says, "You people have asked for this."

Senator TYDINGS. Yes.

Colonel HEISS. "We want you to obligate yourselves to make good any loss we may have that Ford can't pay us, due to the fact that he is not making bombers 4 years from now."

Senator TYDINGS. I see.

LOCATION OF NEW DEFENSE FACILITIES

Senator McKELLAR. Colonel, in increasing these facilities or in building new plants, are you building them farther away from the coast, or still near the coast?

Colonel HEISS. In every case we possibly can, we are moving inland. We have an expansion now which requires a decision, of a certain aircraft facility that has a present installation costing about \$20,000,000. The question has come up as to whether or not its output might be considerably increased by adding another \$3,000,000. The installation I am talking about is on the west coast. There it becomes a definite problem of weighing the increased production you can get out of that particular facility against the time it would take you to get the production elsewhere. There are a number of those cases that come up that have to be decided actually on the urgency of the need for the particular equipment. But on all other facilities we will definitely move inland, the War Department has definitely established the policy.

General ARNOLD. Let me ask you a question, Colonel. Isn't it a fact that when we decide we want to build a brand new plant, they

are all located between the Rocky Mountains and the Appalachian Mountains?

Colonel HEISS. Yes, sir.

DISCONTINUANCE OF CONSTRUCTION OF THE ALUMINUM SHEET MILL AT FAIRVIEW, OREG.

Senator HOLMAN. I am tremendously interested in this, because it is right down my alley. There was a delay of 6 months occasioned by the abandonment of a plant which, after a survey by the various departments, was located at Fairview, Oreg., and then changed to Spokane, Wash., which is west and not east of the Rocky Mountains—on the ground that it was subject to attack. But they make the location still west, and not east, of the Rocky Mountains. And the reason given to me by the civilian departments is that it is not safe to build this plant in the immediate area of Bonneville Dam and three different ingot aluminum manufacturing plants.

Without the power, and without the ingot aluminum, this sheet-metal or aluminum fabricating plant would not have any material to work with anyhow. And I have found from the military men, of whom I have interviewed a number—but I can't quote them and involve them in this personally, for obvious reasons—that every military man says you can defend this area, while the civilian people say you can't defend it. Now, if you can't defend this one plant, you can't defend the dam at Bonneville and the three ingot aluminum plants; and without the dam and without the ingot aluminum plants, the fabricating plant wouldn't have anything to work with.

There is an influence that I can't put my finger on, that is effective in making this move, and I think it is a political and not a military move.

Senator HAYDEN. How far is it from the coast to Spokane?

Senator HOLMAN. The plant where it is, I would say, is 125 miles inland; and Spokane is probably, in an east and west line, I imagine two or three hundred miles farther inland. But it happens it is somewhat north, and it makes it maybe 300 miles, more or less, from this plant.

Senator HAYDEN. Apparently there is some rule which has been adopted here.

Senator HOLMAN. I have been trying to find that man. I have sat across the table with such men as General Marshall; but somebody down the line has made this arbitrary ruling. The result is a delay.

Colonel HEISS. That is set up by the Defense Plant Corporation, under the recommendations of O. P. M.

Senator HOLMAN. All right; let me tell you what we are up against. We are trying to help the military men win this war, and I am not setting myself up as the one to tell them what to do. But it isn't helping any when you cause a 6 months' delay, more or less, in the production of aluminum plates, shapes, and forms. Let me tell you the history, for I am going to tell it on the floor of the Senate if I have to. I went to Mr. Jesse Jones, and he said, after my conversation with him, "I shall take it up with Judge Patterson."

I went to Judge Patterson, and we went all through it. "All right," says he, "I will confer with Mr. Knudsen." Neither Jesse Jones nor Judge Patterson nor Mr. Knudsen said "You are wrong on these facts or conclusions," or "Your judgment is faulty." I went to Mr. Knudsen and he said "Spokane is more centrally located to serve Puget Sound and the Portland, Oreg., industrial area than Fairview."

And I said:

Come here to the map. Spokane is up in the corner of the map, in the northeast, and Fairview is in the center of it. Moreover, they have miles and miles more of railroads, tunnels, bridges, and so on, to maintain and protect, and the railroads already are overtaxed. You have to send the stuff inland and out again, like aluminum goes four times across the continent now.

All right. Then came a statement from Mr. Knudsen that the War Department had decided to move it. Then I got a letter from the War Department, saying that Mr. Knudsen and Mr. Jones had decided to move it. For full-grown men to give a Senator a run-around like that is contemptible. There is a delay here, and I want to know if the military men can state any reason why this plant shouldn't go where there are already plants that must be defended or we would lose our production anyhow.

Senator McKELLAR. General, do you have anything to say about that?

Senator HOLMAN. There is a delay here. We are not going to win this war unless we think straight and act wisely, in my opinion.

Senator McKELLAR. Can you give anything on that, Colonel?

Colonel HEISS. The only thing I can give is that in those plants, in a basic industry, they do refer locations to the War Department to ask which are more easily defended; and the War Department will answer as to this or that location.

Senator McKELLAR. Has it answered in this particular case?

Colonel HEISS. I think it has. I am not thoroughly familiar with that subject.

Senator HOLMAN. I have a letter from General Marshall wherein he says he was never consulted.

Senator McKELLAR. Would you mind looking that up?

Colonel HEISS. I am reasonably sure there was a letter prepared in the War Department and signed by the Secretary of War.

Senator McKELLAR. Will you look it up, so that we can check on it.

Senator HOLMAN. I am drawing a distinction between the civilians and the military men who have to win this war. What I want to do is help the country; and by this civilian interference with military judgment, there may be a delay that may be as vital as the Pearl Harbor delay.

Senator McKELLAR. It will be looked up and the report made.

(Discussion off record.)

Senator McKELLAR. Is there anything else, gentlemen? If not, we are very much obliged to you.

General ARNOLD. Thank you very much.

(Thereupon, at 12:10 p. m., the subcommittee recessed until 10:30 a. m. the following day, Tuesday, January 27, 1942.)

FOURTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL FOR 1942

TUESDAY, JANUARY 27, 1942

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee reconvened at 10:30 a. m., Senator Kenneth McKellar, chairman of the subcommittee, presiding.

Present: Senators Glass, Hayden, Overton, Thomas of Oklahoma, Bankhead, Nye, Lodge, Holman, and Brooks.

Also present: Senators Green, Chavez, Mead, Doxey, Maybank, White, and Gurney.

TENNESSEE VALLEY AUTHORITY

STATEMENTS OF J. T. STOKELY, FRED BUSH, J. J. HAMPTON, AND H. B. JARNAGIN, MAYOR, DANDRIDGE, TENN.

CONSTRUCTION OF DOUGLAS DAM ON THE FRENCH BROAD RIVER

Senator McKELLAR. Mr. Stokely, you want to be heard concerning Douglas Dam?

Mr. STOKELY. Yes, sir.

Senator McKELLAR. You may proceed.

Mr. STOKELY. Mr. Chairman and gentlemen of the committee, our people are interested in only the one feature of the fourth supplemental national-defense appropriation, and that is the so-called Douglas Dam on the French Broad River. We appreciate the opportunity of being heard. A delegation of about 15 men appeared before the Subcommittee on Deficiencies of the House Appropriations Committee on October 3. All of those men were directly interested in the area to be flooded, except Mr. Brehm, the director of extension of the University of Tennessee, and Mr. Neal, who is editor of the Southern Agriculturist and who appeared representing the Tennessee Farm Bureau; also Mr. Reece, the Congressman from the district in which the proposed dam is located. The committee gave us a very considerate hearing. But in the heat of debate on the floor of the House last week, the distinguished chairman of the House Appropriations Committee took us somewhat to task and characterized us as lobbyists, and we were somewhat hurt about that because, as I say, we were all personally interested, except these three gentlemen whom I have named, directly in the area flooded by the dam. We feel sure this committee will not censure us for appear-

ing, in an effort to lay before you the facts, as we see them, pointing to the reasons why this dam should not be constructed.

The President has recommended this appropriation. Ordinarily from the President, as the Commander in Chief of the Army and Navy, a recommendation would have met our acquiescence in time of war, but in this instance we know the source of his information, and the attitude of that source toward this proposal has not been such as to inspire confidence.

Getting right down to the issue—and there is just one issue in the case, gentlemen, that is whether the power to be produced by this dam can be supplied some other way, which will not do the great injury to a section of east Tennessee which this dam will do.

APPROPRIATION FOR T. V. A. IN THIRD SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION ACT. 1942

In the Third Supplemental National Defense Appropriation Act, 1942, two dams were substituted for this so-called Douglas Dam—the dam on the Watauga River and the dam on the Holston River—which are now under active construction, according to a release of the Tennessee Valley Authority of January 1 and according to Mr. Reece and others from that section of the country who are familiar with the situation. Those dams, the T. V. A. says, cannot be completed until 1944, and therefore will not supply power for 1943.

Senator OVERTON. That is what they say; but I understood the Army engineers to say they can be completed much sooner than that. That is my recollection.

Mr. STOKELY. I don't know whether the Army engineers have reported on those particular dams. The bill carried an appropriation for two dams on the Cumberland, with reference to which I understand the Army engineers testified.

These two dams, according to the T. V. A., that is, the Watauga and the Holston dams, will produce approximately the same amount of power the Douglas Dam will produce. We accept the thesis that the power is needed in 1943, and we also accept the thesis, because we don't know, that the Watauga Dam and the Holston River Dam will not supply power for 1943.

Senator HOLMAN. May I interrupt just a minute?

Mr. STOKELY. Yes, sir.

Mr. HOLMAN. Have you a map we can spread out and get some understanding of where these dams are?

Mr. STOKELY. Yes, sir [producing map].

Senator OVERTON. We spent 2 or 3 days on this dam and concluded it wasn't necessary to build it, and we had other dams substituted. We made as thorough an investigation as we possibly could. It was developed that it would destroy a great many productive farms.

Mr. STOKELY. Yes, sir.

Senator OVERTON. It would destroy the economy of two counties.

Mr. STOKELY. Yes, sir.

Senator OVERTON. It would inundate cemeteries where the dead of centuries had been interred.

Senator BANKHEAD. Fifty graveyards, I was advised.

Senator OVERTON. That was when we went into it very, very thoroughly. Is there anything new on it that has not been developed before?

Mr. STOKELY. We don't think so, Senator. But the fact remains that on January 15—

Senator OVERTON. Are you in favor of the Douglas Dam or against it?

Mr. STOKELY. We are very much opposed to it.

Senator HOLMAN. Will you give me your official connection, as to why you are here?

Mr. STOKELY. I am a member of the bar of Birmingham, Ala.; but I was born on the banks of this French Broad River.

Senator HOLMAN. In other words, you are interested as a citizen.

Mr. STOKELY. I am interested because of my family connections and my boyhood associations.

We thought there had been no change in the situation. It was passed by the Senate, eliminating the Douglas Dam, on December 13, after Pearl Harbor on December 7. But a new request for the appropriation has been made, and it was included in the bill as passed by the House. On a point of order, there was no vote by the House on this item for Douglas Dam.

DOUGLAS DAM AGAIN REQUESTED BY THE PRESIDENT

Senator McKELLAR. Mr. Stokely, as you know and as this committee knows, I agree with all you say about it. I think another dam could be built just as quickly and just as effectively, that would produce just as much power. But since the declaration of war, the President has sent in another message.

Mr. STOKELY. Yes, sir.

Senator McKELLAR. His advisers say that is the only place they can get that power for 1943, and therefore it is just a question, it seems to me, whether we are going to stand by the Commander in Chief, who differs with us in this matter, or whether we will not stand by him.

Mr. STOKELY. Yes, sir.

Senator HOLMAN. Senator, will you let me make a suggestion here, bringing up this matter of the Commander in Chief? You use that term right now in the sense that he is actively directing the defense and offense of the armed forces of the United States.

Senator McKELLAR. That is right.

Senator HOLMAN. Well, I think there is occasion for a difference of opinion there. He has those powers. But we are going to be in a very bad way if he undertakes to exercise them actively, I think. We know what Jefferson Davis did in interfering with his generals in the Civil War. I want to oppose the idea of his actually directing the training and the operation and the maneuvering of our forces in this thing. I think it means the destruction of the country. It is my understanding that all Presidents heretofore have acted upon the advice of the men—the Chief of Staff of the Army and the Admiral of the Navy—those persons upon whom he must depend for advice and counsel. But to consider his actually being the man on horseback and in uniform, I think that really creates a dictatorship.

I have much sympathy with what the judge has said, that the President has been ill-advised in this matter. I think we ought to give some weight to that.

TESTIMONY BEFORE HOUSE DEFICIENCIES SUBCOMMITTEE OF LT. GEN.
WILLIAM S. KNUDSEN RELATIVE TO ALUMINUM PRODUCTION AND POWER
REQUIREMENTS

Mr. STOKELY. Senator, right in that connection, I want to read from the only Army man, so far as I know, who has testified on this proposition. That was General Knudsen, recently appointed to the Army. I read from his testimony before the House Subcommittee on Deficiencies of the Appropriations Committee:

Mr. TABER. General Knudsen, can you give us anything regarding the status of our situation with reference to the aluminum production and the power production that would be definite as to what your requirements might be and as to what you have available, in the nature of statistics? If you could, I would like to have you put something of that kind into the record rather than give it to us here.

General KNUDSEN. We are not prepared for that as yet, sir; but we have sufficient for the 1942 production.

Mr. TABER. You are all right for your 1942 production?

General KNUDSEN. Yes, sir.

Mr. TABER. Now, as to what the situation is with reference to 1943, you do not have much idea?

General KNUDSEN. We are plotting that now. In fact, I found about 60,000 kilowatts, but I need some more.

Mr. TABER. There is a tremendous lot of power that can be salvaged by cutting out a lot of this advertising and that sort of thing?

General KNUDSEN. Yes, sir. We have already done that in one section. We had to do it in Atlanta last fall.

Mr. TABER. And you are doing it in other sections?

General KNUDSEN. We will do it as required; yes.

As far as I know, that is the only testimony from the Army as to the necessity for this dam. But I wanted to make the point that the only issue between us, and all the T. V. A. claims, even, is that as to Douglas Dam, some of the power will be available in 1943, whereas the power from these other two dams authorized by the T. V. A. and which are now being constructed, will be approximately the same but will not be available until 1944. Then the two dams on the Cumberland River which you authorized in the last deficiency appropriation bill will provide 150,000 of installed kilowatts, just what the continuous power will be, I am not advised. But according to the testimony, the power from them will not be available until 1944.

DOUGLAS DAM NOT TO BE CONSTRUCTED IN LIEU OF TWO DAMS PREVIOUSLY
APPROPRIATED FOR

Senator THOMAS. In order that the record may be complete, is the construction of Douglas Dam contemplated to be in lieu of the other two dams?

Mr. STOKELY. No.

Senator THOMAS. They are to be constructed also?

Mr. STOKELY. They are to be constructed also.

Senator THOMAS. Then if this item goes through, there will be three dams constructed?

Mr. STOKELY. There will be three dams instead of two.

The two dams on the Watauga and the Holston were substituted in lieu of this Douglas Dam. But now we have the additional request for an appropriation for the Douglas Dam and, as a matter of fact, it has passed the House.

Senator THOMAS. The appropriation for the Douglas Dam doesn't in any way interfere with construction of the two dams authorized in the last deficiency bill?

Mr. STOKELY. No, sir.

Senator THOMAS. I thought that ought to be made clear for the record.

Senator OVERTON. I think you are absolutely correct, that the two dams we did authorize were intended as a substitute for the Douglas Dam, so that the Douglas Dam would not be heard from again.

Mr. STOKELY. That is correct, Senator.

Senator BANKHEAD. There was mention of a steam plant provided for, the construction of which had not been undertaken?

AMOUNT OF POWER TO BE PRODUCED BY DOUGLAS DAM

Mr. STOKELY. I want to show what the issue is, even as claimed by the T. V. A.:

The Douglas project will produce a total of 98,000 continuous kilowatts. Of this amount 64,000 kilowatts can be made available in less than 18 months since this additional power will be added to the system by the storage provided at Douglas without the necessity of installing any generating facilities at the dam.

I am reading from the statement filed by the Chairman of the Tennessee Valley Authority before the subcommittee of the Committee on Appropriations of the House, October 1, 1941:

In order to obtain an equivalent amount of power on the Holston, it would be necessary to build two projects, one at Riddle Creek on the South Fork of the Holston, and one at Cardens Bluff on the Watauga River. These two projects together would add 90,000 continuous kilowatts to the system but none of this could be made available in less than 24 months. If these two projects were authorized now, the reservoirs could not be filled before the spring of 1944. Whereas the Douglas Reservoir if authorized immediately can be filled by the spring of 1943. Accordingly, Douglas will make available 64,000 continuous kilowatts at least 1 year before any power could be obtained from the Holston projects.

OTHER SOURCES FROM WHICH NEEDED POWER COULD BE PRODUCED

Now, gentlemen, we believe we can show you, by the records of the Federal Power Commission and by the statements of T. V. A. itself, that this 64,000 kilowatts which they say they need in 1943—and we assume that to be so for the purposes of this hearing—can be supplied from three different other sources without destroying our section of the country. We feel, and we feel deeply, that this country ought not be destroyed simply to supply this small amount of power, which is about one-sixth of 1 percent of the power of the United States, just for next year, when all of these other dams which you have authorized will come in the following year. As I say, we believe it can be supplied from other sources, as the Senator suggests.

When the power shortage came up in June of last year, and the Tennessee Valley Authority was calling on its customers, including rural cooperative associations, for a 30-percent curtailment in their

power consumption, the R. E. A. offered the Tennessee Valley Authority facilities to produce 50,000 kilowatts of power. About the same time, a responsible engineering firm, admitted to be such by Mr. Lilienthal himself, offered to complete the Sheffield steam plant, put in an additional turbine, and put it in complete, ready for operation, within less than 12 months, at a cost of \$1,800,000, as against the cost of this dam, of \$32,000,000, and with the cost of downstream units, of \$5,700,000 additional, a total of \$37,700,000.

If those two propositions had been accepted, they would have supplied the same continuous power which Douglas Dam will supply. But the T. V. A. turned down both of those propositions and insisted on the construction of this dam.

We showed in the hearing before the House committee that this unit, the 50,000-kilowatt unit, was still on hand at Detroit, Mich., at that time. But it developed from the Chairman of the Federal Power Commission that within the week it had been assigned to the production of magnesium at Freeport, Tex. But a member of the committee, on Monday of last week, stated it was still stored at the warehouse at Detroit, and we insisted that, if it was power that was needed, the Sheffield steam plant should be completed.

For the information of the Senators, that plant was built in 1918, during the World War. The building was completed and foundations laid for two units. Only one unit was installed, a 60,000-kilowatt unit. The building is there and the foundation is there for a new unit. This unit was available and was offered. But the Tennessee Valley Authority, as I say, declined it. Whether the facilities the R. E. A. offered are still available, we do not know; but with both of these offers, we feel if it is power the Tennessee Valley Authority wanted, instead of this dam in the river, they ought to have exercised some judgment in the matter and constructed those facilities.

CONDITION OF WATER SUPPLY IN TENNESSEE VALLEY

Senator THOMAS. What is the condition of the water supply in the Tennessee Valley at the present time? Have you had any floods this winter or the past fall?

Mr. STOKELY. Senator, we have had no floods. It is still very dry. But I learned last week the T. V. A. had closed down the steam plant at Columbus, Miss.; had closed down the steam plant at Corinth, Miss.; the steam plant at Tupelo, Miss., and the small steam plant at nitrate plant No. 1, I believe it is, at Sheffield. Whether they have closed down any considerable number of the steam plants they took over from the Tennessee Power Co., which they bought a couple of years ago, we are not advised.

Senator THOMAS. Are you contending they have all the power now for all the essential requirements?

Mr. STOKELY. They are showing that now, Senator, by having all these steam facilities closed down, and General Knudsen says they have all the necessary power for 1942.

DAMAGE THAT WILL BE OCCASIONED BY CONSTRUCTION OF DOUGLAS DAM

Senator THOMAS. And a second point: What damage will be done in the vicinity by the water behind the Douglas Dam?

Mr. STOKELY. Senator, it floods about 32,000 acres of, I suppose, the most fertile acreage in the State. In the, roughly, 50 square miles, some of the land is better than other land. But as to 12,000 or 15,000 acres, there is no better land anywhere. It will carve the very heart out of Jefferson County [indicating on map]. The green land is the most fertile land, according to this index, which is the United States soil survey of the county. Here is the French Broad River. The dam is right here, in Sevier County. It winds through the county and will flood all of this fertile bottom land, leaving the balance of the county with its best land under water. It will flood the county seat of Jefferson County, the second oldest county in the State. It floods parts, I believe, of 324 farms. I don't remember the exact number of families.

Do you remember, Mr. Bush?

Mr. BUSH. Seven hundred fifty-seven families.

Mr. STOKELY. It will flood 757 families, with over 3,000 people. That is only Jefferson County. The same situation applies up through Cocke County, also, which is the adjoining county. There has been no soil survey made of that county, which is the reason we have no map of it. Newport is the county seat of that county. Each of those counties has pretty heavy bond issues it has issued for good roads. There is a feeling that with these lands taken off the tax rolls, the bond issues cannot be serviced.

The county court of Cocke County, the county court of Jefferson County, and the county court of Hamblen County are very much exercised about the situation. They have sent protests to the Tennessee Valley Authority. As I say, the town of Dandridge, the county seat of Jefferson County, will be destroyed. The courthouse will be flooded. The people feel that Newport, which is a progressive town, will also largely dry up, without the annual production from these lands—which President Hoskins of the University of Tennessee, in an open letter, stated would amount to \$1,200,000 a year. With the annual production of those lands to that extent taken out of the channels of trade, Dandridge feels like it is going to dry up, also. Our people are very much exercised about it.

Senator OVERTON. What about the school and other buildings?

Mr. STOKELY. It floods a large number of churches, a large number of schools, and a large number of graveyards. That is one of the oldest sections of the State, one of the first settled west of the Allegheny Mountains, and many soldiers of the Civil War are buried in these graveyards which will be flooded. Our people feel it will practically destroy those two counties, and it affects Hamblen County, also, because a small part of the reservoir extends up into that county.

There have been some rather loose statements about the people being in favor of it. But any thoughtful person knows what is going to happen to him if his lands are destroyed and his home destroyed, and no thoughtful person wants it, unless it is necessary for the prosecution of the war. But if in your wisdom it is necessary for the prosecution of the war, our people are for it.

There is hardly a family in the valley that hasn't a son, one or more, in the Army.

Senator OVERTON. Pardon me. The statement was made at the last hearing, and I don't know that it has been contradicted since,

that the number of those who favor the Douglas Dam could be counted on the fingers of two hands.

Senator HOLMAN. Or are apt to be transients.

Mr. STOKELY. Senator, there are a few farmers who want to sell their farms. Some of them have mortgages on their farms. There are one or two that are in estates they want divided, and this will give them a sure market for their land.

Senator OVERTON. The statement was made that they are less than 10 in number.

Mr. STOKELY. I think that is true, that they are less than 10 in number. But aside from that, the thoughtful people would not have their lands destroyed, unless necessary.

CANNING INDUSTRIES IN JEFFERSON AND COCKE COUNTIES

I forgot to mention, Senator, that there are three substantial canning industries supported by the vegetables grown on these lands in Jefferson and Cocke Counties. I happen to be interested in one of those, Stokely Bros. They have a plant at Newport. My nephew, president of the company, told me the investment amounted to \$600,000, before depreciations. Well, that would be left high and dry, without any raw materials, substantially.

The Bush Bros.—and this is Mr. Bush here—he and his family have built up an industry over a period of 35 years. Stokely Bros. have been going about 44 years. Bush Bros. have built up a canning industry from these lands. One of their plants will be covered up about 60 feet deep, and all the lands growing the vegetables supporting it will be destroyed. The other plant, in which they have an investment of about \$200,000, will also be left high and dry with its source of supply of raw vegetables largely destroyed.

Senator THOMAS. What products are produced and canned?

Mr. STOKELY. Senator, starting out in the spring, the first crop is English peas, that you have with your lamb chops. Then the next crop is cabbage, which is made into sauerkraut. There is a very large acreage in cabbage and a very large acreage in beans and a very large acreage in sweet corn, tomatoes, lima beans, green beans, turnip greens, spinach, and pumpkin.

PRODUCTS SOLD BY CANNERIES TO THE ARMY

Senator THOMAS. At this point, put into the record, if you will, which of these commodities are sold to the Army for the benefit of the soldiers.

Mr. STOKELY. They are practically all sold to the Army, Senator. The canneries have been shipping large numbers of cases to the Army. One of the plants shipped last summer about a thousand tons of processed food to Great Britain. The Department of Agriculture is calling on us right now to increase the production of peas 60 percent, to increase the production of tomatoes 40 percent, together with a large percentage of increase in some of the other products, though not so large as that.

As a matter of fact, Senator, this is the largest vegetable growing section for canning in the whole South. It is the most varied, with

the largest variety of vegetables grown in this section than in any other section of the United States.

Senator THOMAS. You wouldn't put it above Florida, would you?

Mr. STOKELY. Well, I said for canning. The canning section here is much larger than in Florida, but not the green vegetables for the market.

And, Mr. Chairman, reverting to the point you made that the President is calling for this dam, the T. V. A. was just as insistent in September and in October and November on this dam, as they are now. And the President wrote a letter to the chairman of the Appropriations Committee of the House back in November, urging it. So that the insistence and the persistence of T. V. A. to get this dam is no greater now, since we have embarked on the war, than it was before. As I say, the only point at issue, according to claims of the T. V. A., is this little 64,000 kilowatts of power for 1943.

SHEFFIELD STEAM PLANT

As I say, we insisted that the Sheffield steam plant should be completed, and your committee in the last appropriation bill expressly authorized the completion of that steam plant. Whether anything has been done on that, I don't know. The original T. V. A. act authorized and directed the completion of that plant whenever the President might deem it wise. The appropriation is made for it. Whether the President has given any indication of his idea of the wisdom of it at the present time, I don't know.

Mr. Chairman, I would like to incorporate merely by reference, because I don't want to incumber the record, the hearing had before the House committee, and the last time before the Senate committee on the other request, because I want to refer to them.

LIST OF NEW STEAM ELECTRIC-GENERATING FACILITIES UNDER CONSTRUCTION IN THE UNITED STATES

We asked the Federal Power Commission for it and offered in evidence a list of new steam electric-generating facilities under construction in the United States. That appears at page 373 of the hearings before the subcommittee of the House Appropriations Committee.

Senator McKELLAR. Very well.

Senator HOLMAN. Is there anything listed there for the Columbia development?

Mr. STOKELY. What State is that?

Senator HOLMAN. Oregon and Washington, both.

Mr. STOKELY. No, sir; this is just the steam plants, Senator.

Senator HOLMAN. Oh, yes.

Senator McKELLAR. Is there a further question?

Senator HOLMAN. I would like to make this observation. I have done much flying over the United States, and while it is of tremendous area, I am impressed, as I look down upon the earth, of the comparatively small areas of rich and fertile lands that are productive. We have so much of wastelands or exhausted lands or rocky lands and of mountain areas. I have an idea before this terrible

war is over we may find the productive land which produces food and raiment for the population is of just as great and perhaps greater importance than some dam sites.

I also know from the experience I recounted before the committee yesterday that there are those civil and political and commercial interests which, to accomplish their ends, go out and demand certain things, as a war necessity, when the military men themselves do not substantiate any such claims. I have an idea you are citing a case right here in point.

MR. STOKELY. As far as I know, that is the only testimony from any Army or Navy man.

As I started to point out, a check of this list of new steam electric-generating capacities shows 76 large units of 20,000 kilowatts and above, running from 20,000 to 50,000 and 75,000 and up to 150,000. It shows 76 of those large units for delivery, in 23 States and the District of Columbia—and this was offered on October 3—for delivery in 1941 and 1942; and it showed 43 of the same character of units for delivery, also in 23 States and the District of Columbia, in 1943.

We pointed out to the committee, and it appears in here, that when the War Department, the Corps of Engineers, in 1918 wanted this power plant at Sheffield it didn't wait to place an order with the manufacturers, but it requisitioned a plant just being completed for the Duquesne Light & Power Co. at Pittsburgh, and had the plant in operation, the turbine turning, within less than 12 months from the time it started the construction of the building.

I might also add, and I happen to know about that, that the Government wanted the Alabama Power Co. to build a plant at Gorgas and run a line up to Sheffield, and they arranged for them to get a plant just being completed. They had their plant in operation, I am told, in less than 8 months, and had to building a railroad line, too. It started in February and they had it in operation that fall.

SUGGESTION MADE FOR TRANSFER OF NEW UNIT TO SHEFFIELD STEAM PLANT FROM SOME AREA HAVING SURPLUS OF POWER

Our suggestion was that if it was power that was needed, if they didn't want to put in this unit at Detroit that had been offered to them, then they could take one of these units being furnished for some point in the United States, where it wasn't imperatively needed, and put it in this Sheffield steam plant. And we showed, for instance, by the report of the Federal Power Commission, that there were a number of areas where there was a surplus of power, for which these plants were ordered, and where they could be spared without detriment to the defense effort. We urged that some of those plants be used; but Mr. Batt of the O. P. M., in a letter to the chairman of the committee, said this, and I want to read you just what Mr. Batt said about that steam plant:

Steam plants.—Even with the highest priorities which, in view of the naval requirements, could be assigned to this project, to build and install equipment in a new steam-electric plant to provide the same amount of power would take not less than 30 to 34 months. This is 16 to 20 months longer than the construction of Douglas will require. About this there can be no question to anyone even remotely familiar with procurement problems at the present time. With present requirements of the Navy and the existing load on turbine

builders, new steam-electric plants today are practically out of the picture as manufacturers of steam plant equipment are loaded beyond their capacity.

We hadn't suggested that at all. We hadn't suggested placing an order for new equipment. But we had suggested, first, taking this used turbine at Detroit; and, second, if that couldn't be unallocated from Freeport, that they would take one of thees new turbines ordered for some point by some of the utility companies where it was not needed.

I am glad to say, gentlemen, that our suggestion has not only been adopted, but perhaps improved upon. There appeared an article in yesterday morning's paper, the Monday Post, which I want to read, Mr. Chairman:

The War Production Board has arranged for the building of 4 barges, each carrying an electric generating plant of 30,000 kilowatts capacity, any one of them able to serve a city of 75,000 or more inhabitants, and capable of being moved throughout the Nation's inland waterways for emergency hook-ups.

It was learned yesterday that the project has been approved by the War Department and Defense Plant Corporation, which will arrange the financing of the "floating power."

The barges may be used separately or together to provide a total of 120,000 kilowatts for immediate supplementary power supply in the case of breakdowns, sabotage, or to meet sudden and unusual power loads.

* * * * *

The barges, to be 250 feet long, 50 feet wide, and drawing 9 feet of water, are contemplated for use on the Mississippi-Ohio-Missouri systems. They need only be anchored or tied up and connected with a transmission line to begin immediate operations. It is expected that through pooling systems now being developed to link up almost all of the country from the Mississippi to the Atlantic coast, and the Great Lakes to the Gulf, a sudden need in Savannah, Ga., for example, could be met by power from the barge plants operating perhaps at Memphis.

The generating equipment to be placed on the floating bases is already under construction, it was learned, having originally been destined for conventional power plants throughout the country. The decision to make them portable was adopted on the ground that the generating facilities would have more utility if they could be quickly moved to trouble spots that develop under the enormously expanded demands of the war program.

The barge plants will use oil as fuel, which can either be transported on accompanying barges, or can be obtained at pipe-line stations. Water for the boilers will be taken directly from the river on which the plant is floating. Stacks will be removable, and can be laid on the decks while the barges are in transit.

* * * * *

SUGGESTION OF OBTAINING NEEDED POWER BY USE OF FLOATING BARGES

Now, gentlemen, if for any reason you should feel that the Sheffield steam plant ought not be completed, and we think it ought, and you thought so when you had it up for consideration in the last bill, because you authorized it, but it may have to be approved by the President before it is done. But if that can't be completed, either with the Detroit used plant, or with one of these new used plants, then certainly this stopgap of 64,000 kilowatts of power, only for 1943, which is the only time it is necessary, that stopgap can be filled with a couple of those floating barges, and not destroy this country for all time. That is the whole issue, whether or not this country should be destroyed for all time to come, just to produce 64,000 kilowatts of power for 1943.

Senator McKELLAR. Are there any questions?

OBTAINING OF NEEDED POWER THROUGH INTERCHANGE AGREEMENT

Mr. STOKELY. Senator, I would like to point out one other source from which this power can be obtained. I don't want to detain this committee too long; you are very considerate in hearing us. But in the last appropriation bill you made the appropriation for downstream units, called interchange units, which will make it possible to interchange power with other systems. And there is, as we all know, a hook-up between the Tennessee Valley Authority and various other power systems—the Arkansas Light & Power, the Appalachian Light & Power, the Georgia, Alabama, and the Duke in North Carolina—and those systems enable an interchange of power which, the T. V. A. showed, was exceedingly helpful.

When the chief engineer of the Tennessee Valley Authority was examined by members of the House subcommittee as to the reasons for not accepting this offer to complete the Sheffield steam plant, he made this reply:

We gave the proposition very careful consideration and finally it was decided that for the immediate future an interchange agreement could be arrived at which would provide power for this coming year, and that after that we could provide more ample sources of power and cheaper power without using the second-hand machine.

I needn't point out to the committee that these interchange units in the region alone call for \$14,000,000. You made the appropriation for this year. There is an item of transmission lines of \$16,900,000 for which you made an appropriation. How much of that was for these interchange units wasn't disclosed by the testimony. But I happened to notice an item in one of the Louisville papers:

[From the Louisville Times]

LINE TO SUPPLY T. V. A. O. K'd—CITY COMPANY TO BUILD \$3,850,000 WAR JOB

FRANKFORT, KY., January 5.—The Louisville Transmission Corporation, after a brief hearing before the State public service commission, today was granted authority to build a \$3,850,000 line to supply electric current from Kentucky, Indiana, and Ohio to the Tennessee Valley Authority to meet war needs.

John Kirtley, commission chairman, said no objection to construction of the line was presented.

The corporation said the line would extend 60 miles southward from Louisville. The Tennessee Valley Authority is to construct a line from there to Nashville, this line to bring total cost to an estimated \$7,700,000.

It was expected that by August 1, 1,400,000,000 kilowatt-hours of power could be transmitted annually over the line from the Louisville Gas & Electric Co., the Public Service Co. of Indiana, and three other power firms.

Now, we know the T. V. A. would not have asked Congress for \$14,000,000 to cover the generators alone, to say nothing of the transmission lines, merely for temporary power for 1942. That is a permanent arrangement, and here we have for one line, beginning August 1, and which certainly is expected to extend into and through 1943, 1,400,000,000 kilowatt-hours of powers—nearly twice as much, Senator, as the Douglas Dam will produce.

THREE SOURCES SUGGESTED FOR OBTAINING OF NEEDED POWER

So we say this stopgap can be filled from three sources: The Sheffield steam plant, this floating equipment, or this interchange arrangement.

While we have the highest respect for the President and any recommendation he may make to Congress, the T. V. A. has selected this project and has insisted on it, and as far as we can find out, they have made absolutely no effort to offer any alternative for it. We feel that with the responsibility on Congress to make the appropriations and to spend the taxpayers' money, this stopgap ought to be filled from one of these sources, without destroying this country for all time.

Senator, one other point, and I am going to ask Mr. Hampton, one of our farmers, to say a word to the committee.

There has been a lot of propaganda put out about this dam. The canners have been accused of opposing national defense. Well, my brother and I have one nephew in the service and two others to go in shortly, perhaps three. Mr. Bush has a son going into the service shortly. Mr. Swann, the other canner, has six nephews in the service, all in the Aviation Corps, and he has a son to go in shortly. Certainly we wouldn't for a moment think of opposing the construction of this dam if we thought for a moment that it would keep one plant or 1 pound of aluminum from the power sources of the country—and that is what they say they want this power for, for aluminum.

EXTRACT FROM HOUSE REPORT ON THIRD SUPPLEMENTAL NATIONAL
DEFENSE APPROPRIATION BILL, 1942

In the third supplemental national defense appropriation bill, 1942, the House committee set out what the T. V. A. wanted this power for, that 260,000 kilowatts was to go to the Aluminum Co. of America, and 168,000 to the Reynolds Co. Then it was found that after filling all those needs, the appropriation for Fontana, and so on, and the elimination of the Douglas Dam, they would still have a surplus of 85,000 kilowatts of power for which they had no user in sight at that time. The report of the committee says:

The margin of 187,000 kilowatts proposed by the estimate, including the power from Douglas project, was not based upon definite requirements. It is speculative as to the expansion that may be anticipated to take place in defense industry in the next 2 years and is not susceptible of being projected at this time. The recommendations of the committee will provide 87,000 kilowatts of excess power toward this unknown need.

The committee has included authority in the appropriation for the development of other steam plants of the Authority to their complete capacity as provided in the original plans of installation. Information was furnished the committee from sources deemed thoroughly reliable that it might be possible to secure generating equipment which could be installed in the Muscle Shoals steam plant at Sheffield, Ala., and, produce from 50,000 to 75,000 kilowatts in that way. While the power produced by steam would be procured at a higher unit cost than hydroelectric power, it would have the advantage of continuous power and of being available within a very limited time for defense needs at a relatively low procurement and installation expense.

There has been no effort anywhere, that we have seen, to refute the very full findings, after the most mature consideration, of the subcommittee of the House on this proposition.

Senator HOLMAN. May I interrupt again?

Mr. STOKELY. Yes, Senator.

STEAM PLANTS

Senator HOLMAN. The increased cost of steam plants is much more than offset by the destruction of fertile ground and the effect on the people living there? Is that not so?

Mr. STOKELY. Absolutely, Senator; we think so. In addition to that, the initial cost of the steam plant is very low as compared with a hydroelectric plant. If you take into consideration the carrying charge on the investment, the evidence we have in this record before the committee shows that steam power, with the advance in the art, where it used to take 8 pounds of coal to make a kilowatt-hour, now it takes 0.65 pound to make a kilowatt-hour. That is the reason for all of these new orders for plants. There has been great progress in the art and they can save fuel by putting in these high-compression plants to replace the low-compression plants. As I say, there was no effort anywhere, that we could find, to refute this statement of the committee.

Senator McKELLAR. Mr. Stokely, we have been all over the question of steam plants and water plants so often, I think the committee is pretty well familiar with it.

Mr. STOKELY. All right, Senator.

Senator McKELLAR. Who is the other gentleman you want to be heard?

Mr. STOKELY. Mr. Hampton, who is not only a farmer but president of the cooperative mill at Newport, president of the Cocke County Farm Bureau, and also a director of the State and county bureau.

Senator McKELLAR. All right, Mr. Hampton.

STATEMENT OF J. J. HAMPTON

FARMING IN AREA THAT WOULD BE DAMAGED BY CONSTRUCTION OF DOUGLAS DAM

Mr. HAMPTON. Gentlemen, I am here in the interests of the farmers of the area. I will first take up the farming situation. I have spent 50 years of my life, the most productive years of my life, developing this farm, and each year I have reinvested part of the net earnings in the land. The home where I live was built by the son of a revolutionary soldier. As you gentlemen know, at the close of the Revolution they gave, instead of pensions, grants of land. The man who received this land was 12 years of age when the Declaration of Independence was signed, and he and his sons are buried there on the farm. I noticed one of the sons has been sleeping there 127 years.

Naturally—and you gentlemen will agree with me—I hate to give up this home. When I first came to that farm, a part of it was cat-tail swamp, and through the years I have drained it and laid tile, with miles of 6-, 5-, 4-, and 3-inch tile. I was told by a county agent a few years ago that it was the best drained farm in the South.

If you will be patient with me, I will just give you a few items I took from my farm sales account before I came down here. I copied it off on a piece of the hotel stationery to get it combined. You have heard of the canning industry, and I want to make the statement that I have neither common nor preferred stock invested

in the canning industry in Cocke County; but I have been dealing with this business for more than 20 years, in fact, with Stokely Bros. more than a half century. Yet the loose statements have come to you gentlemen that the canning industry of that country has been penalizing the farmers and pauperizing them by not giving them proper prices. It was 22 years ago I began to grow food crops for Stokely Bros., and if they had not treated me fairly, and I had not found this line of farming more profitable, I certainly should not have continued it 22 years.

NET RETURN PER ACRE

Last year was the driest ear I have ever known in Cocke County. I would like to give a statement on my production. Our peas are the first crop grown; the net return was \$89.79 per acre, which the records of Stokely Bros. will show to be correct. This is after the cost of seed and fertilizer is taken out.

You know it takes moisture to make cabbages. We planted our cabbage crop on high ground last year, which made the yield much less. Our net return on cabbage, after the cost of plants and fertilizer, was \$83.50 an acre. We follow cabbage either with clay peas as a cover crop, or with sweet corn or lima beans. And I want to make this statement, gentlemen, that canning crops are taken off of the soil in the milk stage, which doesn't exhaust the soil.

On green beans last year, \$70.04 an acre.

In regard to cabbage, one of my neighbors in the same valley, whose cabbage went to Bush Bros., netted \$184 per acre. He happened to have his cabbage located on the lower soil, and with the dry season, it suited exactly.

I have been growing sweet corn for many years. On my sweet corn, with pumpkins following, there was a net return of \$75 an acre. These are average yields, gentlemen. One year I grew on a limited acreage 3,000 pounds of shelled peas per acre. Stokely's field man told me that was a phenomenal record. The topography of the soil and the climatic conditions seem to make it most favorable. Some of my neighbors have made yields above that.

Naturally, I would hate to see such productive land flooded. I have spent over \$5,000 tiling this farm. Some of the tiling was laid 30 and 35 years ago. Each year when farm work was slack, we would cut ditches and lay tile. From a selfish point of view, you must agree I would hate to see this farm flooded, after a lifetime of effort. And while I have no sons for the Army, I have helped raise five orphan children, and the net returns from the farm for many years have been invested in churches.

Senator THOMAS. You have given the return on a dry year. What would it be in a good year?

Mr. HAMPTON. I would have to go to my records.

Senator HOLMAN. Would it be 10 or 20 percent more?

Mr. HAMPTON. Sweet corn, gentlemen, not to give you a false impression, is very well suited to that dry season.

Senator OVERTON. Are there other farms similar to yours in the valley?

Mr. HAMPTON. Yes, sir.

Senator OVERTON. Yours is not the only one capable of such high yields?

Mr. HAMPTON. Oh, no. The Stokely Bros. home farm adjoining mine is fully as productive, and perhaps more so.

QUESTION AS TO PRICE OF LAND PER ACRE

Senator THOMAS. How much will that land sell for on the market, in that particular area?

Mr. HAMPTON. Well, it has not been sold. It is transmitted from generation to generation. This old brick home where I live now has sheltered three generations. A man must die and his estate be divided, before it is ever sold.

Senator THOMAS. At what do you value it?

Mr. HAMPTON. It is hard to place a value.

Mr. STOKELY. Senator, the highest price I have heard of any of it being sold for was \$500 and that was a good many years ago.

Mr. HAMPTON. Senator, I pay \$700 taxes now.

Mr. STOKELY. Mr. Hampton, does what you have said about your farm and the adjoining farms apply to a great many of the farms there?

Mr. HAMPTON. That is typical of this area which would be flooded. On the Huff farm they made \$184 net in cabbage.

Mr. STOKELY. Per acre?

Mr. HAMPTON. Per acre.

I was offered, gentlemen, \$80,000 for this farm, many years ago, at the close of the World War, when prices were inflated. I didn't tell my father. He was living at that time and I was afraid he would take it. He would say that whoever made the offer was crazy, as was anyone who refused such an offer. But I told the gentleman that if I could find a location that would suit me just as well, it would be some inducement to sell. However, I couldn't find it.

Senator McKELLAR. Are there any further questions?

Mr. STOKELY. Senator, would you hear from the mayor of Dandridge?

Senator McKELLAR. Very well.

STATEMENT OF H. B. JARNAGIN, MAYOR OF DANDRIDGE, TENN.

DAMAGE THAT WOULD BE OCCASIONED BY CONSTRUCTION OF DOUGLAS DAM

Mr. JARNAGIN. Mr. Chairman, it seems there has been so much false propaganda that when you oppose this Douglas Dam it seems you must be unpatriotic. I know that is not my attitude, and in making the statements I make, I know I am not making them from an unpatriotic point of view. Dandridge will be completely flooded. Every business house in the town will be flooded. The courthouse will be flooded. In addition to that, and something which has not been brought out here, and to which the T. V. A. gave no consideration, there will be some several hundred homes on the hills, representing some several hundred thousand dollars in value, that will be damaged incidentally to a great extent, if the businesses which support those homes are taken away.

Of the graveyards in Dandridge that will be flooded, one of them has buried within it some 6 or 8 or 10 Revolutionary soldiers.

It seems to me, gentlemen, that the ground has been covered so thoroughly that it only resolves itself into this issue, that in the wisdom of the committees hearing all of these facts should rest the decision. According to the T. V. A. gentlemen—and I am not unpatriotic when I say this—but it appears to me to be a fact, according to the T. V. A. statement about this particular Douglas Dam, and the propaganda that has been spread, it would appear that the war we are now engaged in is a pretty small war, if the Douglas Dam will turn the tide of battle. It seems to me that the power production for 1943, which they admit can be taken care of after 1943, should be taken care of in some other manner than to flood this land and destroy these towns.

It seems to me, gentlemen, we are waging this war—and I say this not in an unpatriotic manner—that we are waging this war to preserve a democratic way of life. If the T. V. A. and the administration force this dam, over the judgment of the fact-finding committees, it would appear to me that certainly in the Tennessee Valley we have no longer the democratic way of life, but we have a despotic rule under the T. V. A. Gentlemen, those are pretty harsh words. But it appears to me, if the facts are as found by the subcommittee of the House, who voted unanimously in the prior hearing against the building of the dam, and your committee here in your wisdom thought it should not be built, in a prior hearing, that we are submitting to the dictatorship of the T. V. A. If it is your considered judgment that this dam is actually needed, I would offer no objection, and I don't believe there is a man in that county who would offer any objection.

But, gentlemen, what are we coming to? Are we to be governed by the judgment of these fact-finding committees, or are we allowing the litigants, so to speak, decide this issue, instead of the jury? All of the facts have been covered so well by Judge Stokely that I am not going into those. But it seems to me the Congress of the United States should still retain its prerogative to decide this issue, and not submit to the dictatorship of the T. V. A. It seems to me that the T. V. A., through the O. P. M. and through its power people, who aim to seize upon this opportunity to build the Douglas Dam and destroy the fertile country forever, just for the use it will give them for power in 1943; that it is a very unpatriotic attitude to destroy that area, and that the judgment of the fact-finding bodies should prevail.

I serve at \$1 less than \$1 a year, gentlemen; so there is no compensation there. And I have been the mayor of Dandridge for a decade.

STATEMENT OF EDISON ELECTRIC INSTITUTE ON SURPLUS POWER

Mr. STOKELY. Mr. Chairman, I would like to file with the committee a statement of the Edison Electric Institute showing there are 9,250,000 kilowatts of surplus power over the peak demand of 1941.

I would also like to file with the committee a communication from Mr. A. M. Paine, attorney at law, Sevierville, Tenn.

Senator McKELLAR. All right, gentlemen. We are very much obliged to you, and the committee will take the matter under consideration.

(Clipping from New York Times, January 22, 1942, regarding report of Edison Electric Institute, follows:)

[From New York Times, January 22, 1942]

NATION REASSURED ON POWER OUTPUT—KELLOGG SAYS SURVEY SHOWS RATIONING MAY BE NEEDED ONLY IN A FEW PLACES—PEAK LOAD HAS RISEN 11.4 PERCENT—NEW GENERATORS TO INCREASE THE PRESENT SURPLUS OF 9,250,000 KILOWATTS

With a present surplus of 9,250,000 kilowatts of electric generating capacity, and with the construction of an equal amount in prospect during the next 3 years, the outlook for a sufficient supply of electric power to meet all demands of the war program "is reassuring," Charles W. Kellogg, president of the Edison Electric Institute, reported yesterday.

Mr. Kellogg's statement was based on the results of a survey just completed to determine the effect of the great increase in the scope of Government expenditures incident to this country's entrance into the war.

The survey indicated, however, that it was possible that a few localities affected by drought or excessive piling up of defense loads may face a limited amount of power rationing.

PEAK LOAD IS UP 11.4 PERCENT

Final figures for 1941, Mr. Kellogg declared, show an increase of 11.4 percent in the sum of the peak loads, or maximum demands upon electric generators, over the preceding year. For all powerhouses in the country this indicates a total demand of 35,100,000 kilowatts upon generators whose combined capacity is 44,350,000 kilowatts. To this margin of 9,250,000 kilowatts, Mr. Kellogg reported, will be added new construction of 3,664,000 kilowatts this year, 2,746,000 kilowatts in 1943, and probably as much in 1944, indicating all together a margin of 18,000,000 kilowatts, or more than 50 percent of present electrical demand, to meet the war expansion of the Nation.

"This extra 50 percent of power does not take into account any additional generating capacity being built by factories for their own use," Mr. Kellogg added. Electric output of industrial plants generating their own power last year constituted about two-fifths of all industrial electric power.

YEAR'S OUTPUT DECREASED

In 1941 output of electricity in this country totaled 205,000,000,000 kilowatt-hours, of which 168,000,000,000 were generated by public utilities and 37,000,000,000 by factories for their own use. During this same period, Mr. Kellogg said, the energy consumed in making Government products totaled 7,257,913,975 kilowatt-hours, while the total disbursements for national defense, as shown by the Treasury Department, were \$12,531,000,000.

"This indicates a ratio of six-tenths of a kilowatt-hour per dollar of defense expenditures and compares with a figure of eight-tenths of a kilowatt-hour per dollar of defense expenditures, and by the United States Department of Commerce in 1939," according to Mr. Kellogg. "If it is assumed that total war production expenditures will reach \$56,000,000,000 in 1943, in accordance with the announced objective, or about four and one-half times the 1941 amount, then the increase in electric output directly for the increased war load will run from 32,000,000,000 to 35,000,000,000 kilowatt-hours, or from 16 to 18 percent of the 1941 grand total.

"Estimated increased output, of course, would be modified downward substantially by the decline in the volume of output for manufacturers of products for purely civilian uses, which has been emphasized by the Government as a certain corollary of increased war production."

(Letter of A. M. Paine follows:)

SEVIERVILLE, TENN., October 4, 1941.

Hon. A. T. STEWART,

United States Senator, Washington, D. C.

DEAR SENATOR: Consideration of the proposed construction of the Douglas Dam on French Broad River, in Sevier County, deserves serious consideration; since it involves first-aid to national defense and, second; the perpetual flood-

ing of a rich and large area of densely populated rich rural territory in east Tennessee.

We must plan to live after the emergency is over and we should strive to preserve as much of our valuable natural resources as is reasonably possible. They will be sorely needed in the future by the present and future generations of this country.

If Douglas Dam is constructed it will perpetually flood and take from public use many thousand acres of the richest and most productive farm land in this country, which has been continuously and successfully cultivated and has yielded abundant crops and returns since it has been occupied by our race, and if left alone under reasonable management, it will increase in value and yield for all future time, abundant crops for the support and enrichment of our people, yet to be born.

Do we realize that the flooding of the proposed area, will take from us the richest, most valuable and most permanent asset we have? This rich alluvial agricultural land is more valuable and more permanent than a gold mine. A gold mine is worked out, exhausted, and abandoned, but this land under proper management, grows better each year, and is inexhaustible, though yielding abundant lucrative regular incomes, to the support and enrichment of our country and people.

Is it not possible that we have and are about to overlook these facts and inflict on our county and citizens an unnecessary and perpetual injury? We should not rashly rush to conclusions that will destroy the homes and property of our present citizens and that of our posterity for all future time.

It is not enough to say we pay the present occupant and owner for the land flooded. Some compensation may be allowed to those now controlling and occupying the land, but that is merely temporary to those now in existence and leaves the chance of posterity, fifty or a hundred, or thousands of years hence to have and enjoy the abundant yields of this area to their comfort and benefit and to the support and enrichment of the county, State, and Nation for future time uncompensated. That is an irreparable loss.

It is advanced that the dam is necessary for flood control. Well, much of the land on the river below the point of the proposed dam, about 1,000 miles around to the Ohio, is already covered with artificial lakes and needs no flood control. This argument is then futile.

There are many river gorges in the mountainous area of east Tennessee, above the proposed area, that can be utilized for the construction of dams and the creating of artificial lakes without serious or heavy damage to the people and the county.

The present Waterville Dam on Big Pigeon River in Cocke County, Tenn., is such an improvement.

We should not follow the lead of Esau.

Yours truly,

A. M. PAINE.

Senator McKELLAR. If there is nothing further, gentlemen, this will conclude the hearing.

(Thereupon the hearing was concluded at 11:50 a. m., Tuesday, January 27, 1942.)



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Jan 27



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 77th CONGRESS, SECOND SESSION

Vol. 88

WASHINGTON, TUESDAY, JANUARY 27, 1942

No. 19

Senate

(Legislative day of Friday, January 23, 1942)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, the Very Reverend ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God and Everlasting Father, from whom cometh every good and perfect gift, for all that is in the heaven and in the earth is Thine, and unto Thee we ascribe all might, majesty, dominion, and power, for Thine is the Kingdom, O Lord, and Thou art exalted as Head above all: Reveal to us now, in these bewildering days, the necessity for physical, moral, and spiritual discipline, by which alone our people can overcome their lethargy and indifference to those things which threaten the security, stability, and ultimate triumph of the ideals of our beloved America.

Give to us a deep and lasting appreciation of the stainless beauty of the moral law, from which men derive strength and courage, if they would be brave and noble, in the conflict with self and with the enemies of peace. If there be those among us who are weak, lead them, we beseech Thee, if only step by step, past the dread moment of uncertainty, into that glorious experience in which an undivided loyalty to God and country shall dominate their lives as Thou dost set their hearts at liberty.

We ask it in the Name and for the sake of Him who yielded up His life upon the Cross for the redemption of mankind, Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Monday, January 26, 1942, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 6107) to authorize the Commissioners of the District of Columbia to permit the vestry of Rock Creek Parish to utilize for burial sites certain land within its present holdings in Rock Creek Cemetery, in

which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 5591. An act to amend the District of Columbia Revenue Act of 1939, and for other purposes; and

H. R. 5895. An act to authorize the Library of Congress Trust Fund Board to allocate one-half of the income from certain property to the Smithsonian Institution.

NOTICE OF HEARING ON NOMINATION OF JOHN W. DELEHANT TO BE DISTRICT JUDGE

Mr. VAN NUYS. Mr. President, the Committee on the Judiciary has received the nomination of John W. Delehant, of Nebraska, to be a district judge for the district of Nebraska.

The Senator from Delaware [Mr. HUGHES], who is the chairman of the subcommittee considering this nomination, is necessarily absent from the Senate today, and has requested me in his behalf to give notice, as required by a rule of the committee, that Wednesday, February 4, at 10:30 a. m., has been set as the time for a hearing on the nomination in the Judiciary Committee room.

NOTICE OF HEARING ON NOMINATION OF WILLIAM A. EKWALL TO BE CUSTOMS COURT JUDGE

Mr. McFARLAND. Mr. President, the Committee on the Judiciary has received the nomination of Hon. William A. Ekwall, of Oregon, to be judge of the United States Customs Court.

As required by a rule of the committee, and as chairman of the subcommittee considering this nomination, I hereby give notice that Wednesday, February 4, at 10 a. m., has been set as the time for a hearing on the nomination in the Judiciary Committee room.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gerry	O'Daniel
Andrews	Gillette	O'Mahoney
Austin	Glass	Overton
Bailey	Green	Radcliffe
Ball	Guffey	Reed
Bankhead	Gurney	Reynolds
Barkley	Hayden	Rosier
Bilbo	Herring	Russell
Bone	Hill	Shipstead
Brewster	Holman	Smathers
Brooks	Johnson, Calif.	Smith
Brown	Johnson, Colo.	Stewart
Bulow	Kilgore	Taft
Bunker	La Follette	Thomas, Idaho
Butler	Langer	Thomas, Okla.
Byrd	Lee	Thomas, Utah
Capper	Lodge	Tobey
Caraway	Lucas	Truman
Chandler	McFarland	Tunnell
Chavez	McKellar	Tydings
Clark, Idaho	McNary	Vandenberg
Clark, Mo.	Maloney	Van Nuys
Connally	Maybank	Wagner
Danaher	Mead	Wallgren
Davis	Millikin	Walsh
Downey	Murdock	Wheeler
Doxey	Murray	White
Ellender	Norris	Wiley
George	Nye	Willis

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] is absent from the Senate because of illness.

The Senator from Delaware [Mr. HUGHES], the Senator from Nevada [Mr. McCARRAN], the Senator from Wyoming [Mr. SCHWARTZ], and the Senator from Arkansas [Mr. SPENCER] are necessarily absent.

The Senator from Florida [Mr. PEPPER] is detained on important public business.

Mr. AUSTIN. The Senator from New Jersey [Mr. BARBOUR] is absent on official business.

The Senator from Ohio [Mr. BURTON] is absent on public business.

The Senator from New Hampshire [Mr. BRIDGES] is absent in a hospital because of a hip injury.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

RESOLUTION OF COUNCIL OF THE CITY OF RACINE, WIS.—AMENDMENT OF SOCIAL SECURITY ACT

Mr. WILEY. Mr. President, I present for printing in the Record and appro-

appropriate reference a resolution adopted by the Common Council of the City of Racine, Wis., relative to amendment of the Social Security Act in connection with old-age assistance.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas under the present Federal Social Security Act no provision is made for retirement income for those who have already reached retirement age, or for those who will later attain that age, who have as farmers or business or professional men and women or in other capacities created jobs for themselves and others, nor for those who have been employed on farms or in homes, churches, public offices, or other employment excluded from title II of the Federal Social Security Act, except by submitting to poverty registration of themselves and all members of their families, while retirement income and widow's pensions are made available to all employed in business and industrial establishments without question as to their economic status:

Resolved, That the Congress of the United States of America is hereby requested to amend title I of the Social Security Act so as to make a minimum of \$30 per month available, as a matter of right, to every retired citizen 60 years of age or older who is not drawing annuities of that amount under any other Federal system, as provided in the General Welfare Act, H. R. 1410, now pending in Congress; further

Resolved, That the city clerk is hereby authorized and directed to send a certified copy of this resolution to the United States Senators from Wisconsin and the Member of Congress from this congressional district.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 6448. A bill making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes; without amendment (Rept. No. 994).

By Mr. WALSH, from the Committee on Naval Affairs:

S. 2192. A bill to extend the time for examination of quarterly accounts covering expenditures by disbursing officers of the United States Navy; with amendments (Rept. No. 995);

S. 2193. A bill to amend the act approved October 24, 1941, entitled "An act to authorize the Secretary of the Navy to provide salvage facilities, and for other purposes" (Public Law No. 280, 77th Cong.), so as to remove the limitation on the sum authorized to be appropriated annually to effectuate the purposes of the act; without amendment (Rept. No. 996);

H. R. 4151. A bill to authorize the acquisition by the United States of lands lying between the present boundary of the Naval Air Station, Lakehurst, N. J., and the new boundary of Fort Dix, in the county of Ocean and State of New Jersey; without amendment (Rept. No. 997); and

H. R. 6333. A bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; with amendments (Rept. No. 998).

By Mr. THOMAS of Utah, from the Committee on Mines and Mining:

S. 2066. A bill to make permanently effective the act regulating interstate and foreign commerce in petroleum and its products; without amendment (Rept. No. 999).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHITE:

S. 2228. A bill for the relief of Carl L. Jones; to the Committee on Claims.

By Mr. WALSH:

S. 2229. A bill to provide for the retirement, rank, and pay of heads of staff departments of the Marine Corps; to the Committee on Naval Affairs.

By Mr. GERRY:

S. 2230. A bill to provide for the transfer of all functions, operations, and activities carried on by the War Department in connection with the procurement, laying, maintenance, and control of submarine mines and mine fields, together with the property and facilities pertaining thereto, including the Army Mine Planter Service, to the jurisdiction of the Navy Department, and for other purposes; to the Committee on Naval Affairs.

By Mr. WHEELER:

S. 2231. A bill granting a pension to Nettie M. Clapp (with accompanying papers); to the Committee on Pensions.

HOUSE BILL REFERRED

The bill (H. R. 6107) to authorize the Commissioners of the District of Columbia to permit the vestry of Rock Creek Parish to utilize for burial sites certain land within its present holdings in Rock Creek Cemetery was read twice by its title and referred to the Committee on the District of Columbia.

REPORT ON REEXAMINATION OF THE SABINE-NECHES WATERWAY, TEX.

Mr. BAILEY presented a letter from the Secretary of War, transmitting a report dated July 16, 1941, from the Chief of Engineers of the Army, together with accompanying papers and illustrations, on reexamination of the Sabine-Neches Waterway, Tex., which was referred to the Committee on Commerce and ordered to be printed, with illustrations.

ADDRESS BY SENATOR MEAD ON CIVIL-SERVICE RETIREMENT

[Mr. MEAD asked and obtained leave to have printed in the RECORD a radio address delivered by him on January 19, 1942, on the subject of civil-service retirement, which appears in the Appendix.]

ATHLETIC ACTIVITIES OF SENATOR CHANDLER—ARTICLE BY VINCENT X. FLAHERTY

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article by Vincent X. Flaherty, published in the Washington Times Herald of January 27, 1942, dealing with the athletic activities of Senator CHANDLER, which appears in the Appendix.]

INDUSTRIAL WAGES—LETTER FROM PHILIP N. BLADINE

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD a letter addressed to him by Philip N. Bladine, of McMinnville, Oreg., editor of the Telephone Register, which appears in the Appendix.]

PRODUCTION OF BUTTERFAT IN ARKANSAS

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD an article from the Parsons Daily Sun, of Parsons, Kans., relative to the production of butterfat from

certain herds of cows in Kansas, which appears in the Appendix.]

PRICE CONTROL—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5990) to further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. BROWN. Mr. President, I shall make a very brief statement of changes made in the conference report from the provisions of the bill as it passed the Senate.

There were seven major points of difference.

The Senate bill provided for a full licensing system, which extended to all wholesale and retail outlets and other outlets for commodities. In conference no change was made in the substance of the Senate section relative to licensing.

It will be recalled that the Senate committee, as well as the Senate itself, approved the licensing provisions, which are substantially as follows:

First, the proprietor of every retail and wholesale outlet has a right as a matter of course to a license to do business; and the license may be taken away only if he twice violates its provisions, or the regulations surrounding it. After the first violation a warning is to be sent. After the second violation the Administrator is empowered to go into court and ask for a cancellation of the license. The license may then be canceled by the court for a period not exceeding 12 months. If the violation was slight, it probably would be canceled for a week or a month, or any part of 12 months.

The only change made in conference was this: The bill as reported by the Senate committee and as it passed the Senate required that such proceedings should be conducted in the local State courts; but it also provided that if the place of business of the person against whom a violation was asserted was within 50 miles of a Federal court, the matter could be heard in the Federal court. At the request of the House conferees we struck out that exception; and all cases must be tried in the local courts unless the amount of total gross sales is \$100,000, or unless there is interstate business.

Mr. McNARY. Mr. President—

Mr. BROWN. I yield to the Senator from Oregon.

Mr. McNARY. Is not that the same provision that was in the bill as it passed the Senate?

Mr. BROWN. The only difference is that in the bill as it passed the Senate there was jurisdiction in the Federal courts in any kind of a case if the store, for example, was within 50 miles of the Federal court. That provision was eliminated in conference.

Calendar No. 1029

77TH CONGRESS
2D SESSION

H. R. 6448

[Report No. 994]

IN THE SENATE OF THE UNITED STATES

JANUARY 24 (legislative day, JANUARY 23), 1942

Read twice and referred to the Committee on Appropriations

JANUARY 27 (legislative day, JANUARY 23), 1942

Reported by Mr. McKELLAR, without amendment

AN ACT

Making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled.*

3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the national
5 defense for the fiscal years ending June 30, 1942, and
6 June 30, 1943, and for other purposes, namely:

7 TITLE I—WAR DEPARTMENT

8 MILITARY ACTIVITIES

9 SEC. 101. For additional amounts for the Military Es-
10 tablishment, fiscal year 1942, to remain available until June

1 30, 1943, to be supplemental to, and merged with, the appro-
 2 priations under the same heads in the Military Appropriation
 3 Act, 1942, including the objects and subject to the limita-
 4 tions and conditions specified under those heads, respectively,
 5 in such Act, as follows:

6 OFFICE OF THE SECRETARY OF WAR

7 Expediting production: For expediting production of
 8 equipment and supplies for national defense, \$933,000,000:
 9 *Provided*, That the third proviso under the head "Expediting
 10 Production" in the Military Appropriation Act, 1942, as
 11 amended by the Act of July 16, 1941 (Public Law 179,
 12 Seventy-seventh Congress), is repealed and shall not apply
 13 to any unexpended balances under this head nor to the funds
 14 herein appropriated.

15 SIGNAL CORPS

16 Signal Service of the Army: For Signal Service of the
 17 Army, \$680,242,180.

18 AIR CORPS

19 Air Corps, Army: For Air Corps, Army, \$9,041,-
 20 373,090.

21 ORDNANCE DEPARTMENT

22 Ordnance Service and Supplies, Army: For Ordnance
 23 Service and Supplies, Army, \$1,547,948,529.

24 CHEMICAL WARFARE SERVICE

25 Chemical Warfare Service, Army: For Chemical War-
 26 fare Service, Army, \$323,308,675.

DEFENSE AID

SEC. 102. Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary of War to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense article procured from funds appropriated in this title, in accordance with the provisions of the Act of March 11, 1941 (Public Law 11): *Provided*, That the total value of articles disposed of under this authority shall not exceed \$4,000,000,000.

SEC. 103. This title may be cited as "Title IV, Military Appropriation Act, 1942".

TITLE II—GENERAL APPROPRIATIONS

INDEPENDENT AGENCIES

TENNESSEE VALLEY AUTHORITY

Tennessee Valley Authority Fund: For an additional amount for the Tennessee Valley Authority fund, fiscal year 1942, for (1) the construction of a hydroelectric project on the French Broad River near Dandridge, Tennessee, (2) the purchase or building of transmission facilities needed to connect this project to the existing transmission system of the Authority, and (3) the acquisition of land necessary for and the relocation of highways in connection with the accomplishment of the above project; \$30,000,000, to be available

1 for the administrative objects of expenditure and subject to
2 the conditions specified under this heading in the Independent
3 Offices Appropriations Act, 1942.

4 DEPARTMENT OF STATE

5 Transportation, Foreign Service: For an additional
6 amount for Transportation, Foreign Service, fiscal year 1942,
7 including the objects specified under this head in the Department
8 of State Appropriation Act, 1942, \$800,000.

9 TITLE III—GENERAL PROVISIONS

10 SEC. 301. No part of any appropriation contained in
11 this Act shall be used to pay the salary or wages of any
12 person who advocates, or who is a member of an organization
13 that advocates, the overthrow of the Government of the
14 United States by force or violence: *Provided*, That for the
15 purposes hereof an affidavit shall be considered prima facie
16 evidence that the person making the affidavit does not advocate,
17 and is not a member of an organization that advocates, the overthrow
18 of the Government of the United States by force or violence: *Provided further*,
19 That any person who advocates, or who is a member of an organization
20 that advocates, the overthrow of the Government of the United
21 States by force or violence and accepts employment the salary
22 or wages for which are paid from any appropriation in this
23 Act shall be guilty of a felony and, upon conviction, shall be
24 fined not more than \$1,000 or imprisoned for not more than
25

1 one year, or both: *Provided further*, That the above penalty
2 clause shall be in addition to, and not in substitution for, any
3 other provisions of existing law.

4 SEC. 302. This Act may be cited as the "Fourth Sup-
5 plemental National Defense Appropriation Act, 1942".

Passed the House of Representatives January 23, 1942.

Attest:

SOUTH TRIMBLE,

Clerk.



77TH CONGRESS
2^D SESSION

H. R. 6448

[Report No. 994]

AN ACT

Making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes.

JANUARY 24 (legislative day, JANUARY 23), 1942
Read twice and referred to the Committee on
Appropriations

JANUARY 27 (legislative day, JANUARY 23), 1942
Reported without amendment

FOURTH SUPPLEMENTAL NATIONAL DEFENSE APPROPRIATION BILL, 1942

JANUARY 27 (legislative day, JANUARY 23), 1942.—Ordered to be printed

Mr. McKELLAR, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 6448]

The Committee on Appropriations, to whom was referred the bill (H. R. 6448) making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes, report the same to the Senate without amendment.

Amount of bill as passed House and reported to Senate
\$12,556,672,474.00

Comparison of estimates and appropriations

Department	Estimates	Appropriations recommended in bill as reported to Senate	Increase (+) or decrease (—), appropriations compared with estimates
War Department, military activities (title I).....	\$12,525,872,474	\$12,525,872,474	-----
General appropriations (title II):			
Tennessee Valley Authority	30,000,000	30,000,000	-----
State Department	800,000	800,000	-----
Total	12,556,672,474	12,556,672,474	-----

WAR DEPARTMENT—TITLE I

The amount included in the bill for the Military Establishment is \$12,525,872,474 which is also the Budget estimate, and is available exclusively for the airplane program, including procurement of airplanes, facilities for production, communications and signaling equipment, armor, armament, and ammunition and other devices

for their operation in combat or in training. The funds contemplate the procurement of 33,000 completed airplanes, of which 23,000 are tactical and 10,000 are training types. The general statement of General Arnold to the committee is a clear and concise discussion of the objects and purposes of this program, and is included in this report.

General ARNOLD. The estimates before you, amounting to \$12,525,872,474, represent a rounded procurement program of approximately 33,000 airplanes, their armament, equipment, related munitions, and the necessary funds for facilities to permit accomplishment of the program within the time limits desired.

Former airplane procurement programs have authorized numbers in excess of those necessary to implement the second aviation objective or B-4 group program. The present airplane program had its inception before December 7, 1941, and was designed to continue without interruption aircraft manufacture at present levels of production. Immediately after December 7, however, the heavy-bomber program was increased to raise production of that type of aircraft to a level of 1,000 per month, and to provide the facilities necessary to accomplish this objective.

While the program in its inception was purely to continue production, and provided aircraft over and above the tactical needs of the Air Force, the declaration of war has caused profound changes in our productive as well as in our tactical objectives. Plans for the expansion of the Air Corps now under study indicate that by the time the aircraft in this program are delivered, a large portion of these planes will be required to equip tactical units in our air forces. In fact, in some types they may not meet our requirements.

The object of the program is to continue present production levels of aircraft until June 30, 1943, for training airplanes; through December 31, 1943, for tactical airplanes (except heavy bombers); through June 30, 1944, for heavy bombers; and to increase the level of production of heavy bombers to 1,000 per month after June 30, 1944.

The program includes airplanes, and the related spare parts, spare engines, weapons, equipment, and munitions. In order to increase the heavy-bomber production and in order to keep the munitions program in step with the delivery of planes, additional facilities are required for manufacture of airplanes, sub-assemblies, raw materials, and munitions.

This program does not take into consideration, except for heavy bombers, the speed-up in industry which may be obtained by use of the 7-day week and 24-hour day. This speed-up is being carefully studied, and when plans are entirely coordinated, an additional program will be submitted for the number of planes necessary to implement it.

The program is the result of extensive planning and coordination with the Office of Production Management. The program accomplishes the objects sought of maintaining airplane production. It can be accomplished by the industry, and funds are needed immediately in order that industry may be continued at these levels without a break which, if funds were not now appropriated, would occur sometime in August 1942.

While it is felt that the greater part of these airplanes will be required for our forces, language is requested to give the President freedom of action in transferring a part of these planes to any country whose defense is considered essential to our defense.

TENNESSEE VALLEY AUTHORITY

The bill as passed the House and reported to the Senate carries an item of \$30,000,000 for the construction of the Douglas Dam. This item was considered at the last session of Congress but not allowed. However, on January 15, 1942, the President renewed his request for the construction of this dam in a communication to the Speaker of the House of Representatives which is contained in House Document No. 566, a copy of which is made a part of this report:

THE WHITE HOUSE,
Washington, January 15, 1942.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the Tennessee Valley Authority for the fiscal year 1942 in the amount of \$30,000,000.

The details of this estimate, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, with whose comments and observations thereon I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., January 15, 1942.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration supplemental estimate of appropriation for the Tennessee Valley Authority for the fiscal year 1942 amounting to \$30,000,000, as follows:

TENNESSEE VALLEY AUTHORITY

Tennessee Valley Authority fund: For an additional amount for the Tennessee Valley Authority fund, fiscal year 1942, for (1) the construction of a hydroelectric project on the French Broad River near Dandridge, Tenn., (2) the purchase or building of transmission facilities needed to connect this project to the existing transmission system of the Authority, and (3) the acquisition of land necessary for and the relocation of highways in connection with the accomplishment of the above project; to be available for the administrative objects of expenditure and subject to the conditions specified under this heading in the Independent Offices Appropriation Act, 1942----- \$30,000,000

This amount is required to enable the Tennessee Valley Authority to provide additional electric generating capacity in the area served by the Authority so as to meet the rapidly increasing demands for power from plants engaged in the manufacture of materials and supplies needed for national defense purposes.

The expansion of facilities of the Tennessee Valley Authority as contemplated by this estimate has the approval of and is urged by the Office of Production Management.

The foregoing estimate of appropriation is required to meet contingencies which have arisen since the transmission of the Budget for the fiscal year 1942, and its approval is recommended.

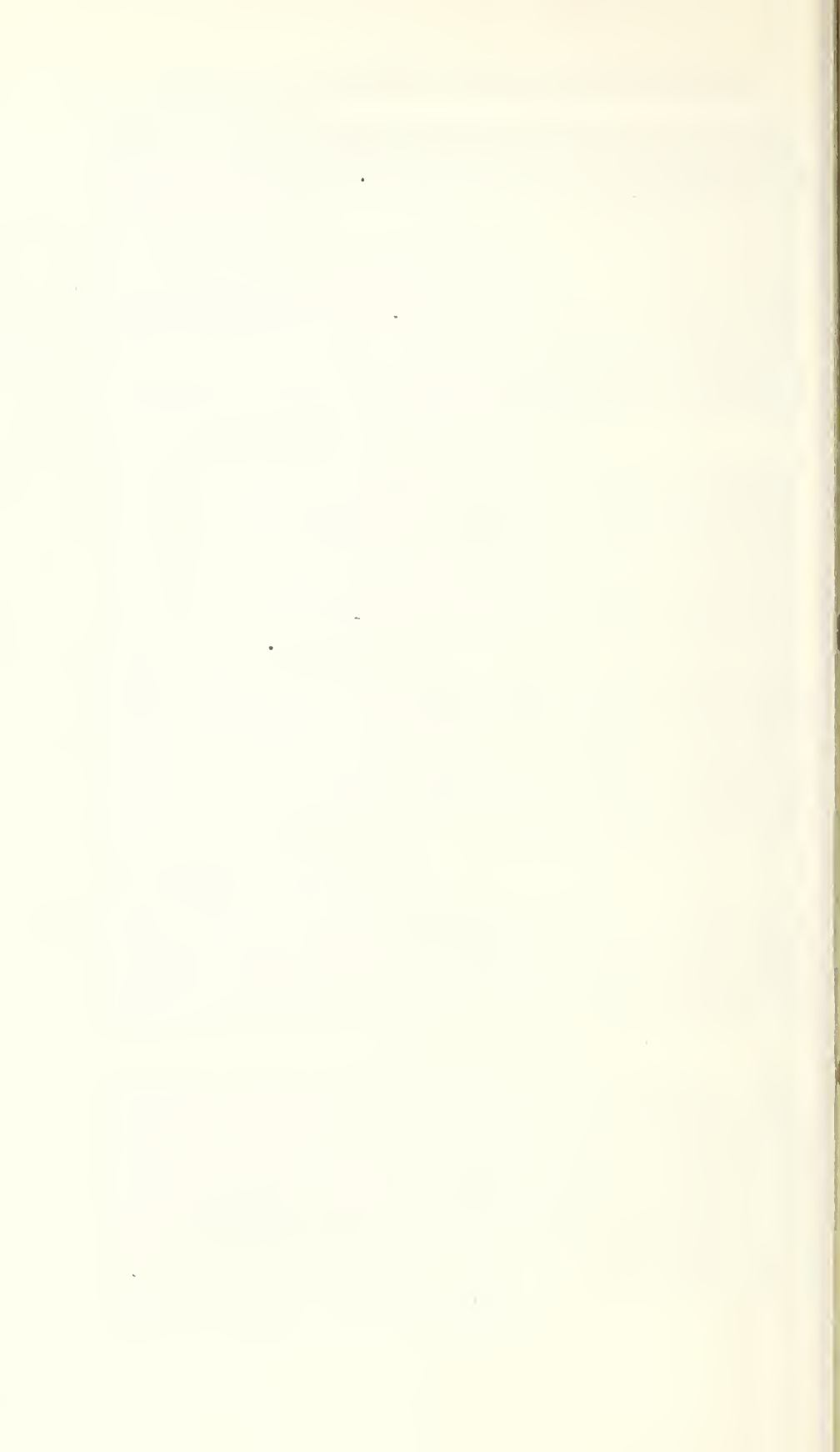
Very respectfully,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

Our country is now at war, and, notwithstanding previous opposition to this project, the committee feel that, inasmuch as the President has again requested the construction of this dam in the name of national defense, it should grant this repeated request of the President. The committee, therefore, recommend the retention of the Douglas Dam item in the bill.

STATE DEPARTMENT

The sum of \$800,000 carried in the bill for "Transportation, Foreign Service" is directly traceable to the declaration of war. Due to conditions abroad it has been necessary to transfer many diplomatic and consular employees out of the Axis countries, move families and effects from danger areas, increase the number of employees temporarily detailed to other posts, and make many special trips which could not possibly have been foreseen. At the present time, less than \$17,000 remains in the original appropriation for this purpose for the fiscal year 1942.



we reach a certain point, absolutely nothing back of the notes except the faith and credit of the Government.

Mr. O'MAHONEY. Mr. President, I think it is only fair to say that, in the first place, the power of the Federal Reserve Board to purchase the securities of the United States in the open market today is without limit; there can be no question about that. Furthermore, when the Federal Reserve Act was passed, in the first instance, the Federal Reserve System had the authority to buy obligations directly. The limitation was not put on until 1935. So, in effect, what we are doing now is restoring the power which previously existed. Perhaps I should add that originally the power extended only to direct obligations, and now it includes indirect obligations.

Mr. TYDINGS. I suppose that the words "in the open market" had to be limited—

Mr. O'MAHONEY. That is correct.

Mr. TYDINGS. For the obvious reason that the public might not be able to buy the bonds as fast as the Government might need money.

Mr. O'MAHONEY. The Senator is quite correct.

Mr. TYDINGS. In which case there would be a hiatus in the financing, and the Government would need a stop-gap to cover the situation.

Mr. O'MAHONEY. With his usual grasp of the situation, the Senator from Maryland is entirely correct in his understanding of it.

Mr. TYDINGS. I appreciate the Senator's good will and his courtesy, but I do not happen to have expert knowledge of financial matters. However, I suppose that is the best provision which could be adopted.

I should prefer to have seen compulsory buying of bonds by the banks, rather than to have had such an indirect way of controlling purchasing, my fear being that when we do that we are getting away from the money standard and are getting into the note standard on both sides of the transaction. I am somewhat at a loss to understand why our financial advisers could not set up something better than a wide-open "I will give you my note if you will give me your note" system, and have back of the transactions no money, as there must be when one buys potatoes or beef.

Mr. O'MAHONEY. Mr. President, as a matter of fact, this provision actually stands between the Government and the adoption of fiscal policies which some Members of the Senate and of the House regard as utterly unsound.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JOHNSON of Colorado. Mr. President, a short while ago the Senator from Washington [Mr. BONE] embarrassed all historians in the Senate Chamber by asking a question about the postal regulations in effect during the Civil War.

I desire to read section 7 of chapter 9 of the regulations contained in the law passed in 1861, as follows:

Be it further enacted, That all letters written by soldiers in the service of the United States may be transmitted through the mails without prepayment of postage, under

such regulations as the Post Office Department may prescribe, the postage thereon to be paid by the recipients.

The PRESIDING OFFICER. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 2208) was ordered to be engrossed for a third reading, was read the third time, and passed.

SUPPLEMENTAL DEFENSE APPROPRIATIONS

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 6448, Calendar No. 1029.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6448) making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes.

The bill is as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes, namely:

TITLE I—WAR DEPARTMENT MILITARY ACTIVITIES

SEC. 101. For additional amounts for the Military Establishment, fiscal year 1942, to remain available until June 30, 1943, to be supplemental to, and merged with, the appropriations under the same heads in the Military Appropriation Act, 1942, including the objects and subject to the limitations and conditions specified under those heads, respectively, in such act, as follows:

OFFICE OF THE SECRETARY OF WAR

Expediting production: For expediting production of equipment and supplies for national defense, \$933,000,000: *Provided*, That the third proviso under the head "Expediting Production" in the Military Appropriation Act, 1942, as amended by the act of July 16, 1941 (Public Law 179, 77th Cong.), is repealed and shall not apply to any unexpended balances under this head nor to the funds herein appropriated.

SIGNAL CORPS

Signal Service of the Army: For Signal Service of the Army, \$680,242,180.

AIR CORPS

Air Corps, Army: For Air Corps, Army, \$9,041,373,090.

ORDNANCE DEPARTMENT

Ordnance Service and Supplies, Army: For Ordnance Service and Supplies, Army, \$1,547,948,529.

CHEMICAL WARFARE SERVICE

Chemical Warfare Service, Army: For Chemical Warfare Service, Army, \$323,308,675.

DEFENSE AID

SEC. 102. Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary of War to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of

any country whose defense the President deems vital to the defense of the United States, any defense article procured from funds appropriated in this title, in accordance with the provisions of the act of March 11, 1941 (Public Law 11): *Provided*, That the total value of articles disposed of under this authority shall not exceed \$4,000,000,000.

Sec. 103. This title may be cited as "Title IV, Military Appropriation Act, 1942."

TITLE II—GENERAL APPROPRIATIONS

INDEPENDENT AGENCIES

TENNESSEE VALLEY AUTHORITY

Tennessee Valley Authority Fund: For an additional amount for the Tennessee Valley Authority fund, fiscal year 1942, for (1) the construction of a hydroelectric project on the French Broad River near Dandridge, Tenn., (2) the purchase or building of transmission facilities needed to connect this project to the existing transmission system of the Authority, and (3) the acquisition of land necessary for and the relocation of highways in connection with the accomplishment of the above project; \$30,000,000, to be available for the administrative objects of expenditure and subject to the conditions specified under this heading in the Independent Offices Appropriations Act, 1942.

DEPARTMENT OF STATE

Transportation, Foreign Service: For an additional amount for Transportation, Foreign Service, fiscal year 1942, including the objects specified under this head in the Department of State Appropriation Act, 1942, \$800,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 302. This act may be cited as the "Fourth Supplemental National Defense Appropriation Act, 1942."

Mr. McKELLAR. Mr. President, the bill now under consideration has been reported by the Committee on Appropriations exactly as the House passed it. The House passed the bill providing appropriations in the sum of \$12,556,672,474, and it is composed of three general items. The first is under the heading "War Department, military activities," \$12,525,872,474 for airplanes. That item is for the purpose of carrying out the program with reference to airplanes, and perhaps I cannot better express it than as it was expressed by General Arnold, who gave a very short and succinct account of what is proposed to be done.

The report of the committee states:

The amount included in the bill for the Military Establishment is \$12,525,872,474, which is also the Budget estimate, and is available exclusively for the airplane pro-

gram, including procurement of airplanes, facilities for production, communications and signaling equipment, armor, armament, and ammunition and other devices for their operation in combat or in training.

It is further stated:

The funds contemplate the procurement of 33,000 completed airplanes, of which 23,000 are tactical—

Or, in other words, are to be used in warfare—

and 10,000 are training types.

I now come to the statement of General Arnold in regard thereto:

The estimates before you, amounting to \$12,525,872.474, represent a rounded procurement program of approximately 33,000 airplanes, their armament, equipment, related munitions, and the necessary funds for facilities to permit accomplishment of the program within the time limits desired.

Former airplane procurement programs have authorized numbers in excess of those necessary to implement the second aviation objective or 84-group program. The present airplane program had its inception before December 7, 1941, and was designed to continue without interruption aircraft manufacture at present levels of production. Immediately after December 7, however, the heavy-bomber program was increased to raise production of that type of aircraft to a level of 1,000 per month, and to provide the facilities necessary to accomplish this objective.

While the program in its inception was purely to continue production, and provided aircraft over and above the tactical needs of the Air Force, the declaration of war has caused profound changes in our productive as well as in our tactical objectives. Plans for the expansion of the Air Corps now under study indicate that by the time the aircraft in this program are delivered, a large portion of these planes will be required to equip tactical units in our air forces. In fact, in some types they may not meet our requirements.

The object of the program is to continue present production levels of aircraft until June 30, 1943, for training airplanes; through December 31, 1943, for tactical airplanes (except heavy bombers); through June 30, 1944, for heavy bombers; and to increase the level of production of heavy bombers to 1,000 per month after June 30, 1944.

The program includes airplanes, and the related spare parts, spare engines, weapons, equipment, and munitions. In order to increase the heavy-bomber production and in order to keep the munitions program in step with the delivery of planes, additional facilities are required for manufacture of airplanes, subassemblies, raw materials, and munitions.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes I yield to the Senator from Connecticut.

Mr. DANAHER. I am sure the Senator will be able to help me understand that statement. If he will look at section 101 of the pending bill he will observe, according to lines 9 and 10 on page 1 and line 1 on page 2, that the amounts are to remain available until June 30, 1943. There is no corresponding language in lines 7 to 20, inclusive, on page 2, which include the airplane program to which the Senator has just referred. Will the Senator please reconcile those two statements?

Mr. McKELLAR. Where is the Senator reading?

Mr. DANAHER. Section 101 starts at the bottom of the first page. Now go over to page 2, lines 7 to 20. There is no corresponding language in lines 7 to

20 making the amounts available through 1943. I have no doubt there is a reasonable explanation for the omission; and, if the Senator will make it, I shall be thankful.

Mr. McKELLAR. Mr. President, the first paragraph is the key paragraph, and all these things follow it. That is provided for in the language which the Senator finds on pages 1 and 2 of the bill:

SEC. 101. For additional amounts for the Military Establishment, fiscal year 1942, to remain available until June 30, 1943.

That takes in all of them.

Mr. DANAHER. So it covers all the items?

Mr. McKELLAR. It covers all the items.

Mr. DANAHER. I thank the Senator.

Mr. McKELLAR. I thank the Senator from Connecticut for calling attention to it.

I continue reading the statement of General Arnold:

This program does not take into consideration, except for heavy bombers, the speed-up in industry which may be obtained by use of the 7-day week and 24-hour day. This speed-up is being carefully studied, and when plans are entirely coordinated, an additional program will be submitted for the number of planes necessary to implement it.

The program is the result of extensive planning and coordination with the Office of Production Management. The program accomplishes the objects sought of maintaining airplane production. It can be accomplished by the industry, and funds are needed immediately in order that industry may be continued at these levels without a break which, if funds were not now appropriated, would occur sometime in August 1942.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. McKELLAR. In a moment I will yield. The Senate committee were of the opinion, and so were the House committee, and so were the House of Representatives, that bombers were the most important part of our program in this war, and that it was absolutely necessary to continue that program; and this amount has been provided exactly as asked by our Army authorities.

I now yield to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I served on the committee with the Senator from Tennessee, and support what he has just said. What I rose to ask him was about something which was not brought out in the committee. Does the Senator know how much, up to this time, including this sum, we have appropriated for the Army air force during the past 2 years?

Mr. McKELLAR. I cannot say off-hand.

Mr. TYDINGS. Can the Senator give us an approximation of the amount?

Mr. McKELLAR. My recollection is that the appropriation last year was about \$5,000,000,000.

Mr. TYDINGS. So that, with this \$9,000,000,000, the total is \$14,000,000,000?

Mr. McKELLAR. Yes; that is correct.

Mr. TYDINGS. I will not ask the Senator how many planes have been provided.

Mr. McKELLAR. This particular appropriation provides for 33,000 planes,

of which 23,000 will be planes used in warfare.

Mr. TYDINGS. What I was wondering was, how many planes the preceding appropriations would produce.

Mr. McKELLAR. It is difficult to say. As a matter of fact, I think there was a larger percentage of training planes in the preceding appropriation than is contemplated in this appropriation.

Mr. TYDINGS. As I recall, in the first appropriation a great deal of the money went for training planes, and some of this money will go for that purpose; but as we proceed further with the program, the number of training planes diminishes in proportion to the number of bombers or fighting planes.

Mr. McKELLAR. That is my understanding.

Mr. TYDINGS. The chart which was before our committee, I believe, showed that to be the case.

Mr. McKELLAR. Yes.

Mr. President, I do not see how there really can be any difference of opinion about the passage of this bill. It seems to me that probably all the Senators would be willing to vote this amount as requested by the Army. There are only two other items in the bill, and they are comparatively very small. One is an item of \$30,000,000 for a dam known as the Douglas Dam. This is the statement made by our committee on the subject:

Our country is now at war, and, notwithstanding previous opposition to this project, the committee feel that, inasmuch as the President has again requested the construction of this dam in the name of national defense, it should grant this repeated request of the President.

As we all know, both Houses of Congress have twice turned down, practically unanimously, the building of this dam; and yet, after war was declared, the President asked for it a third time, and out of abundance of caution the committee has reported it.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Maryland.

Mr. TYDINGS. Am I correct in my recollection that a portion of the \$9,000,000,000 for the Army Air Corps is to go for plants and machinery necessary for the manufacture of planes?

Mr. McKELLAR. No; the whole amount.

Mr. TYDINGS. I mean of the \$9,000,000,000.

Mr. McKELLAR. Not of the \$9,000,000,000.

Mr. TYDINGS. If that sum is to be used to build 33,000 planes, the average cost is less than \$270,000 a plane.

Mr. McKELLAR. I have not figured it out, but I accept the Senator's figures.

Mr. TYDINGS. While, of course, no one is going to question how much a plane costs, because we need them very badly, it is true that as we go into the mass-production schedule, the cost of individual planes should be materially reduced. As I recall, the cost of a medium bomber sometime ago was about \$125,000, so that if all this money were used for medium or smaller bombers, it would

probably build a hundred thousand planes.

Mr. McKELLAR. In the first place, it will not all be used for bombers, because heavy bombers, as we know—

Mr. TYDINGS. Cost more.

Mr. McKELLAR. They not only cost more, but they are more desirable in certain aspects of the present contest.

Mr. TYDINGS. My inquiry was not with any idea of being parsimonious, but I believe that in future appropriations we should expect some reduction in the cost of producing standardized planes. After all, if it cost \$300,000 a year ago to build these planes, after the machinery and the plants have been put in motion the cost should be considerably less. My recollection is that the contracts are pretty generally on a set figure, notwithstanding facilities are available to produce the planes with less labor and more speed, but while every one wants to provide for the Army every dollar necessary to produce the planes, it seems to me, looking at an airplane and considering mass production, that \$270,000 is a pretty high unit figure for the production of a big bomber.

Mr. McKELLAR. The Senator is a member of the committee, and he probably recalls, because he was present during the hearings, that the question he has raised was discussed very freely and very fully with General Arnold, the head of the Air Corps who, let me say, in my judgment, is a very efficient head of the Air Corps.

Mr. TYDINGS. I concur absolutely in that statement.

Mr. McKELLAR. He said every effort would be made to bring down the cost, if it were possible, through mass production.

Mr. TYDINGS. I know that General Arnold will do all he can, and it is my opinion that we can reduce the unit cost of producing the medium and heavy bombers considerably, and thereby put that much less strain on the Treasury, which is already called on to bear a very heavy load.

Mr. McKELLAR. I very much hope that can be done.

The only other item in the bill is the appropriation of \$800,000 for Transportation, Foreign Service. Due to conditions abroad, it has been necessary to transfer many diplomatic and consular employees out of the Axis countries, move families and effects from danger areas, increase the number of employees temporarily detailed to other posts, and make many special trips which could not possibly have been foreseen. At the present time, less than \$17,000 remains in the original appropriation for this purpose for the fiscal year 1942.

We all know this is a perfectly reasonable request, and it seems to me to be an exceedingly modest one.

Unless there are some questions Senators desire to ask, I should be very glad indeed to have a vote on this important bill, which should be passed at the earliest possible moment.

Mr. LA FOLLETTE. Mr. President, I am not a member of the Committee on Appropriations, nor am I a member of the Committee on Military Affairs, so I

have never had any opportunity to make a detailed study of the questions involved in the bill now before the Senate. I should like to call attention to the fact that the report of the hearings before the House committee on this \$12,500,000,000 bill, at least, the copies made available to the Members of Congress not on the committee or the subcommittee, covers 62 printed pages, and we do not have any printed testimony as a result of the hearings before the Senate subcommittee.

Mr. McKELLAR. The proceedings were taken down but have not yet been printed.

Mr. LA FOLLETTE. The fact is that we are to pass the bill before the proceedings are printed. I merely wish to say that, so far as I am personally concerned, like every other Member of the Senate, I wish to vote every necessary power for the prosecution and conduct of the war, but I desire to point out that these appropriations are already reaching astronomical figures. There was a controversy this afternoon over a title in the second war-powers bill to give the Federal Reserve banks the right to buy bonds directly from the Treasury. We all know the implications of that measure. The House Ways and Means Committee will soon be in the throes of efforts to formulate a program alleged to have as its objective the extraction of another \$9,000,000,000 of additional taxes from the people of the United States.

Mr. President, I also realize that in time of war it becomes essential for the legislative branch of the Government to surrender many powers to the Executive which it would not under any circumstances consider surrendering or conferring on the Executive in time of peace. I realize that that is necessary in the total modern war in which we are now engaged.

I wish to say, however—and this is not intended in any wise as a criticism of any member of the subcommittee or of the Committee on Appropriations itself—that the only power which the Congress does not have to surrender is its control over the purse strings. However, its control over the purse strings will become nothing but an empty phrase if we appropriate more money than can be expended in the fiscal year, or within any reasonable length of time. If we build up huge backlogs of appropriations, in other words, which, despite the fact that they may be contracted, cannot be expended, we are stripping ourselves of power which we do not need to yield in time of war, and we are placing the legislative branch of the Government in a position where it will not be able to call for an accounting of the expenditure of the funds, or to ascertain, as suggested by the Senator from Maryland, whether the costs have been held within reason, or whether the expenditures have been well made.

In making this statement I wish to make it perfectly clear that I am not reflecting upon the character of anyone in the armed services or anyone connected with the executive branch of the Government who will be charged with the responsibility of the expenditure of these vast, huge sums of money; but I do say that, in my humble opinion, Congress

has a share of responsibility in this matter, and it cannot divest itself from the inevitable accounting which the people will demand of their public servants in the conduct of the war and in the cost of the war, simply by saying that this amount of money was asked for by this branch of the Government or that branch of the Government, and we yielded it up after testimony comprised in the 62 pages of the House committee hearing, and, so far as I am aware, there was no greater amount of testimony before the Senate committee, although I have not had the advantage of reading the testimony adduced before the Senate committee.

So, Mr. President, while I shall support the bill, I wish to express the hope that in the future there will be every effort made upon the part of the Appropriations Committee to probe all the facts and to reveal to the Congress and to the country such facts as can be revealed in view of the military exigencies, so that we may feel absolutely certain that, insofar as humanly possible, the Congress has fully discharged its responsibility in connection with the vast expenditures we are making and shall continue to make in the future.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. McKELLAR. In reply to what the Senator has said, I am quite sure that the very able and splendid Senator from Wisconsin, had he been a member of our committee, and especially of the subcommittee, would have come to exactly the same conclusion we did. The records of both the House committee and the Senate committee hearings are very short. I do not think the Senate committee record will be any larger than the House committee record. About nine-tenths, or probably fifteen-sixteenths, of the testimony that was heard was off the record. It was testimony which could not very well be made public at this time.

There was testimony especially with regard to airplanes, and supply and production, and everything of that sort in connection with this particular bill. Those matters were gone over very carefully by the committee with the officers who appeared before the committee, and who very frankly and very fully explained the whole situation to the committee. I am perfectly sure, knowing the Senator from Wisconsin as I know him, that he would have voted exactly as the committee did to report the bill, and the action of the committee was unanimous.

Mr. President, I will say that I went a little further than the Senator has suggested, and I hope what I did will meet the approval of the Senate. I asked General Arnold if he would object to making a report to our committee every 2 weeks, giving the committee full information in respect to what is being done and what is proposed to be done. I believe such information will aid us very materially in dealing with the war requirements. General Arnold very promptly replied that he would do so, and since the hearings were concluded he has called my office to know when these appointments are desired,

and as soon as our committee meets we will undertake to give him that information.

Mr. NYE. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. NYE. The Senator has spoken of an understanding relative to a meeting with the committee every 2 weeks. As a member of that committee, I was impressed with the thought that the plan was for a meeting every week.

Mr. McKELLAR. That is true, but not with respect to the airplane activity under General Arnold. In connection with that activity it was proposed that meetings should be held every 2 weeks. But there are other departments in which vast sums are expended, and it is also proposed to have the heads of those departments come before the committee.

Mr. NYE. I did not so understand, but I can see why it would be quite satisfactory to have the meetings once every 2 weeks.

Mr. McKELLAR. The Senator will bear witness, I am sure, to the fact that much of the testimony was not on the record.

Mr. President, I hope the Senate will pass the bill.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill (H. R. 6448) was ordered to a third reading, read the third time, and passed.

Mr. BARKLEY. Mr. President, now that the bill is passed I wish to take occasion to express my personal and official

appreciation to the distinguished Senator from Tennessee for the ability, promptness, skill, and consideration with which he has brought this bill before the Senate and secured its prompt passage. It is proof of the fact that the Senator from Tennessee is devoted to the national welfare, and while, of course, in a bill of this size there might arise controversial matters, I congratulate the Senator from Tennessee and express to him my deep appreciation for the statesmanlike way in which he has handled every item of this great appropriation. I wanted the RECORD to show my appreciation.

Mr. McKELLAR. I thank the Senator,

TEMPORARY NATIONAL ECONOMIC COMMITTEE MONOGRAPHS

Mr. BARKLEY. Mr. President, while I am on my feet I wish to place a certain matter in the RECORD. Before I have it inserted in the RECORD I wish to make a statement. The Temporary National Economic Committee, of which the Senator from Wyoming [Mr. O'MAHONEY] was the very able chairman, as we all know, held exhaustive hearings and made a report to the Senate of the United States. During the consideration of the matters before the Temporary National Economic Committee there was, of course, under the appropriation of the Senate, a considerable sum of money expended.

The committee went out of existence on the 3d day of April 1941. The chairman of the committee, the Senator from Wyoming, tells me that since the committee was dissolved and made its report, there has not been a day on which

he has not received letters of inquiry and requests for the publications which were issued by the committee under the authority of the Senate.

I have before me a list of the various subjects discussed in monographs issued by the committee. There are 44 items involved. I might say that 124,175 copies of these monographs were sold for cash, bringing in to the Treasury \$46,474.

In addition to that, copies of hearings which were conducted by the committee dealing with various subjects, have been sold, 41,401 copies of various parts of the hearings have been sold for cash at a price of \$20,423.95.

So the Temporary National Economic Committee has sold to those interested in the subjects which were inquired of and reported upon by the committee, a total number of publications of 165,576, which have brought in cash to date, that is, as of January 6, 1942, a total sum of \$66,898.15. I think that is a remarkable record of recovery to the Treasury and toward the expenses involved in the investigation, through the sale of documents published and issued by this important committee.

Mr. President, I ask that the list in detail be inserted at this point in the RECORD as a part of my remarks. I think the Senate and the country is entitled to the report from the committee showing what it has done in respect to the sale of these documents.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Condition of stock of Temporary National Economic Committee monographs as of Jan. 6, 1942

Monograph	Received	On hand	Sold	Unit price	Unit total
1. Price Behavior and Business Policy.....	4,751	244	4,507	\$0.45	\$2,028.15
2. Families and Their Life Insurance.....	4,262	1,037	3,225	.25	806.25
3. Who Pays the Taxes.....	4,827	1,772	3,055	.10	305.50
4. Concentration and Composition of Individual Incomes, 1918-37.....	3,360	370	2,990	.15	448.50
5. Industrial Wage Rates, Labor Costs, and Price Policies.....	2,762	279	2,483	.25	620.75
6. Export Prices and Export Cartels (Webb-Pomerene Associations).....	3,323	1,131	2,192	.35	767.20
7. Measurement of the Social Performance of Business.....	3,229	988	2,241	.30	672.30
8. Toward More Housing.....	2,837	450	2,387	.30	716.10
9. Taxation of Corporate Enterprise.....	2,238	228	2,010	.60	1,206.00
10. Industrial Concentration and Tariffs.....	4,302	1,819	2,483	.35	869.05
11. Bureaucracy and Trusteeship in Large Corporations.....	2,757	220	2,537	.30	761.10
12. Profits, Productive Activities, and New Investments.....	2,228	1,131	2,097	.35	733.95
13. Relative Efficiency of Large, Medium-sized, and Small Business.....	5,258	2,141	2,617	.50	1,308.50
14. Hourly Earnings of Employees in Large and Small Enterprises.....	4,330	1,540	2,790	.15	418.50
15. Financial Characteristics of American Manufacturing Corporations.....	2,901	698	2,203	.40	881.20
16. Antitrust in Action.....	4,428	1,078	3,350	.20	670.00
17. Problems of Small Business.....	4,314	1,567	2,747	.40	1,178.80
18. Trade Association Survey.....	3,292	1,0	3,292	.50	1,646.00
19. Government Purchasing—An Economic Commentary.....	2,223	382	1,841	.35	644.35
20. Taxation, Recovery, and Defense.....	4,259	1,449	2,810	.35	983.50
21. Competition and Monopoly in American Industry.....	5,776	2,061	3,685	.40	1,474.00
22. Technology in Our Economy.....	3,266	605	2,661	.35	931.35
23. Agriculture and the National Economy.....	5,327	1,865	3,462	.10	346.20
24. Consumer Standards.....	3,218	1,023	2,195	1.00	2,195.00
25. Recovery Plans.....	3,750	1,413	2,337	.30	701.10
26. Economic Power and Political Pressures.....	10,349	5,081	5,268	.25	1,317.00
27. The Structure of Industry.....	3,254	997	2,257	1.00	2,257.00
28. Study of Legal Reserve Life Insurance Companies.....	8,307	1,887	6,420	.50	3,210.00
29-A.....	3,110	669	2,441	.15	366.15
30. The Distribution of Ownership in the 200 Largest Nonfinancial Corporations.....	2,673	697	1,976	2.00	3,952.00
31. Survey of Shareholdings in 1,710 Corporations With Securities Listed on a National Securities Exchange.....	2,223	252	1,971	.35	689.85
32. Patents and Free Enterprise.....	3,275	578	2,697	.25	674.25
33. Economic Standards of Government Price Control.....	2,400	316	1,874	.55	1,020.70
34. Geographical Differentials in Prices of Building Materials.....	2,217	769	1,448	.55	796.40
35. Control of Unfair Competitive Practices Through Trade Practice Conference Procedure of the Federal Trade Commission.....	2,223	153	2,070	.10	207.00
36. Large-Scale Organization in the Food Industry.....	3,311	463	2,848	.20	569.60
37. Reports of the Federal Trade Commission.....	2,217	333	1,884	.35	659.40
38. Saving, Investment, and National Income.....	3,268	877	2,391	.20	478.20
39. A Study of the Construction and Enforcement of the Federal Antitrust Laws.....	3,225	757	2,468	.15	370.20
40. Control of the Petroleum Industry by Major Oil Companies.....	5,247	1,905	3,342	.30	1,002.60
39-A.....	3,060	1,315	1,745	.15	261.75
41. Regulation of Economic Activities in Foreign Countries.....	2,223	1,40	2,183	.20	436.60
42. Price Discrimination in Steel.....	2,237	308	1,929	.10	192.90
43. The Basing Point Problem.....	2,216	188	2,028	.30	608.40
44. The Motion Picture Industry—A Pattern of Control.....	5,299	2,580	2,719	.15	407.85
8. Doc. 35, 77th Cong., 1st sess.....	4,078	449	3,629	1.00	3,629.00
Total.....			124,175		46,474.20

¹ The following publications are being reprinted: Monograph 12 (with corrections), number ordered, 750; Monograph 18, number ordered, 750; Monograph 40, number ordered, 750.

The following publication has been ordered printed: 500 copies, Index-Digest of Hearings, Monographs and Reports, 1939-41, Temporary National Economic Committee.

[PUBLIC LAW 422—77TH CONGRESS]

[CHAPTER 27—2D SESSION]

[H. R. 6448]

AN ACT

Making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes, namely:

TITLE I—WAR DEPARTMENT

MILITARY ACTIVITIES

SEC. 101. For additional amounts for the Military Establishment, fiscal year 1942, to remain available until June 30, 1943, to be supplemental to, and merged with, the appropriations under the same heads in the Military Appropriation Act, 1942, including the objects and subject to the limitations and conditions specified under those heads, respectively, in such Act, as follows:

OFFICE OF THE SECRETARY OF WAR

Expediting production: For expediting production of equipment and supplies for national defense, \$933,000,000: *Provided*, That the third proviso under the head "Expediting Production" in the Military Appropriation Act, 1942, as amended by the Act of July 16, 1941 (Public Law 179, Seventy-seventh Congress), is repealed and shall not apply to any unexpended balances under this head nor to the funds herein appropriated.

SIGNAL CORPS

Signal Service of the Army: For Signal Service of the Army, \$680,242,180.

AIR CORPS

Air Corps, Army: For Air Corps, Army, \$9,041,373,090.

ORDNANCE DEPARTMENT

Ordnance Service and Supplies, Army: For Ordnance Service and Supplies, Army, \$1,547,948,529.

CHEMICAL WARFARE SERVICE

Chemical Warfare Service, Army: For Chemical Warfare Service, Army, \$323,308,675.

DEFENSE AID

SEC. 102. Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary of War to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense article procured from funds appropriated in this title, in accordance with the provisions of the Act of March 11, 1941 (Public Law 11): *Provided*, That the total value of articles disposed of under this authority shall not exceed \$4,000,000,000.

SEC. 103. This title may be cited as "Title IV, Military Appropriation Act, 1942".

TITLE II—GENERAL APPROPRIATIONS

INDEPENDENT AGENCIES

TENNESSEE VALLEY AUTHORITY

Tennessee Valley Authority Fund: For an additional amount for the Tennessee Valley Authority fund, fiscal year 1942, for (1) the construction of a hydroelectric project on the French Broad River near Dandridge, Tennessee, (2) the purchase or building of transmission facilities needed to connect this project to the existing transmission system of the Authority, and (3) the acquisition of land necessary for and the relocation of highways in connection with the accomplishment of the above project; \$30,000,000, to be available for the administrative objects of expenditure and subject to the conditions specified under this heading in the Independent Offices Appropriations Act, 1942.

DEPARTMENT OF STATE

Transportation, Foreign Service: For an additional amount for Transportation, Foreign Service, fiscal year 1942, including the objects specified under this head in the Department of State Appropriation Act, 1942, \$800,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation in this Act shall be guilty of a felony and, upon conviction,

shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 302. This Act may be cited as the "Fourth Supplemental National Defense Appropriation Act, 1942".

Approved, January 30, 1942.

Plu. 1000 427

